FROM POVERTY TO PROSPERITY

THE AFRICAN DREAM

FROM POVERTY TO PROSPERITY

BINGU WA MUTHARIKA

BY THE SAME AUTHOR

Towards Multinational Economic Cooperation in Africa (Praeger Special Studies, New York, 1972)

One Africa One Destiny: Towards Democracy, Good Governance and Development (Regional Cooperation Series, SAPES TRUST, Zimbabwe, 1995)

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DEDICATION

"We speak here of the challenge of the dichotomies of war and peace, violence and non-violence, racism and human dignity, oppression and repression and liberty and human rights, poverty and freedom from want... These countless human beings, both inside and outside our country, had the nobility of spirit to stand in the path of tyranny and injustice, without seeking selfish gain. They recognised that an injury to one is an injury to all and therefore acted together in defence of justice and a common human decency... The value of our shared reward will and must be measured by the joyful peace which will triumph, because the common humanity that bonds both black and white into one human race, will have said to each one of us that we shall all live like the children of paradise."

— Nelson Mandela —

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ABBREVIATIONS

AACB	Association of African Central Banks
ACP	African, Caribbean and Pacific Group of States (developing countries associated with the European Union)
ADB	African Development Bank
APRM	African Peer Review Mechanism of the AU
AU	African Union (formerly OAU)
Bretton Woods Institutions	Collectively the World Bank, the International Monetary Fund and Affiliated Institutions
CEPGL	La Communauté Economique des Pays des Grands Lacs (Economic Community of the Great Lakes Countries, ECGLC)
COMESA	Common Market for Eastern and Southern Africa
EC	European Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EEC	European Economic Community
EU	European Union
FAO	Food and Agricultural Organisation (United Nations)
GATT	General Agreement on Tariffs and Trade (now WTO)
G8	The group of eight most industrially advanced countries (USA, UK, France, Japan, Germany, Canada, Italy and Russia)
IBRD	International Bank for Reconstruction and Development (popularly known as the World Bank)
ICAO	International Civil Aviation Organisation
ICO	International Coffee Organisation
IDA	International Development Association (World Bank)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation (World Bank)
IGAD	Intergovernmental Authority on Development
IGO	Inter-governmental organisation

ILCA	International Livestock Centre for Africa
ILO	International Labour Organisation (United Nations)
IMCO	Intergovernmental Maritime Consultative Organisation
IMF	International Monetary Fund
IOC	Indian Ocean Commission
ITU	International Telecommunications Union
MRU	Manu River Union
NAM	The Non-Aligned Movement
NEPAD	New Partnership for African Development (AU)
NGO	Non-governmental organisation
OAU	Organisation of African Unity (now AU)
OECD	Organisation for Economic Co-operation and Development
PTA	Preferential Trade Area (PTA) for Eastern and Southern African States
SADCC	Southern African Development Coordination Conference
SADC	Southern African Development Community
UDEAC	Union Douanière des Etats de l'Afrique Centrale (Customs Union of Central African States)
UMA	l'Union du Maghreb Arabe (Arab Maghreb Union)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
UPU	Universal Postal Union
WFC	World Food Council
WFP	World Food Programme
WHO	World Health Organisation (United Nations)
WIPO	World Intellectual Property Organisation
WMO	World Meteorological Organisation
WB IBRD	World Bank International Bank for Reconstruction and Development

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PREFACE

When I began researching and writing **THE AFRICAN DREAM** in the late 1990's, I never could imagine that when the book would be published I would be the President of my country, Malawi – let alone be the Chairman of the African Union.

In a way, the dream I speak of in this treatise is not mine alone but one that I share with my fellow African leaders and with all African people, a billion of them, speaking thousands of languages, in 53 countries, and yet a people united by a common sense of belonging and bonded by common origins, cultural, historic, and geographic ties.

The Africa that I wish the rest of the world to know and appreciate is the one in which vast wealth; cultural and material, as well as deep political forms of participatory democracy and governance have existed for centuries. It is the Africa with huge mineral and natural wealth and a determined people that can and should encourage today's political and economic powers to strive for a better Africa.

My dream of Africa's forward movement is largely about a renaissance and recognition of our core values, traditions, and the modernity of our past civilisations. The rest is about channelling our indigenous wealth and applying the discipline and tools needed to manage and convert the raw materials that we possess into new wealth for our people.

The deepest and most delicate challenges of African development and poverty reduction have always been at the forefront of my entire professional career – first in Malawi, then in the Diaspora at the United Nations, the World Bank and COMESA, and back in Malawi again as its leader. The African dream is for me the epitome of my aspirations as I apply what I have learned,

experienced and believed that the entire continent of Africa can emerge from poverty to prosperity. I was often intrigued to realise that a dream is only interesting when it comes with a map that sketches its realisation. I often tell young people of Africa that if they do not see their dreams as the roadmap for what they want to do or become, they are dreaming in black and white. Dreaming in colour is to make one's dream come true. All progress begins as a dream.

It took me over a dozen years of thinking, researching, reading, drafting and drawing – yes, I began to see my plans in a clear multidimensional perspective and often woke in the middle of the night to scribble and sketch more dreams into plans, buildings, structures, and monuments – to get this book into a shareable form. Ironically, the route to the State House was more direct than the journey into publication. Maybe this is because words are sharper than the sword. And now with the tools of instantaneous global publishing and the internet, the responsibility to make these words sharper is even greater.

I have been told that my book is the first work of its kind by a Head of State to be published also for the new generation of digital readers. I am thrilled to think how *Facebook* was a concept indigenous to traditional African village life, where community information moved as quickly as a snake, and that the African talking drums were in fact the precursor of the new *Twitter* – the modern messaging system.

Let us remind ourselves that every dream needs its reality-check, and *The African Dream* offers readers that. It is not a panacea for solving the political, economic and social crises facing Africa today, nor will it provide all the answers to the politics of poverty in Africa. But it does provide an overview of African nations who share a common agenda to fight extreme poverty, hunger, deprivation and underdevelopment, a vision to bring about fast macroeconomic growth. And it does lead you through the landscape of marginalised nation-states fighting to have just

and fair global trading, financial and monetary systems in which they should have fair representation and actively participate in the United Nations and other world forums in which Africans should have secured equal places.

The book I present you captures the dream of nurturing new hope that soon Africans will own and control their own development policy, their own minerals and other natural resources processing and marketing, and will have unimpeded access to science and technology, global finance, investments, and information and communication technology that will enable nations to break the vicious circle of poverty. It is a dream based on the recognition that a more developed Africa – politically, economically and industrially – is a better political ally and trading partner for the G8 and OECD countries than a weaker one.

I have empirically tested these ideas and concepts on Africa's economic, social and political development within the framework of globalisation, and I am confident that *The African Dream* is not just a dream but a real itinerary for change that the global community should support. The dream of a better Africa has admittedly been difficult to realise, primarily because of international financial and economic constraints. While partnership is essential to economic growth, multinational corporations and financial and investment institutions – through transfer pricing, tax rebates, over-invoicing, hidden profits and excessive repatriation of profits and dividends – continue to bleed Africa of its much-needed resources with the support of the governments of the industrialised countries.

Therefore, while we speak openly and widely of the threats of terrorism, there is terrorism too in the way that African leaders continue to be forced to adopt policies they do not believe in simply to get donor support. There is terrorism in the way super powers individually or collectively impose moral ideologies and social behaviour on weaker nations that contradict the latter's social frameworks, religious beliefs and even legal systems. Africa simply wishes to have the right to determine its own growth policies and its

own future. For Africans, the dream is to pay our own bills with our own money generated from our own wealth and managed by own best and brightest.

This simple realisation alone prompted me to bring out this message bold, loud and clear. I invite you to walk with me through a journey of hope towards an Africa of a new beginning. I want Africans to move from Afro-pessimism to Afro-optimism. And I am delighted that *The African Dream* is now in your hands, where it has a chance of making a difference. Hopefully, I have succeeded in unearthing a few of the real secrets that will enable Africa to move from underdevelopment to sustainable development. While honouring the lessons, the legacies, and the humanity of our grandparents and ancestors, we have no greater responsibility today than to create an enduring prosperity for our future generations. This is the essence of *The African Dream.*

Professor Bingu Wa Mutharika
President of the Republic of Malawi
Lilongwe, Malawi.
October 2010.

INTRODUCTION

This book introduces an Africa of new hope and of a new beginning. The new paradigm for African economic thought will influence the direction of Africa's growth and development. The general consensus is that for Africa to escape poverty, the African people must take control of their resources and re-order their own development priorities and strategies.

The first three chapters discuss the origins of Africans, their shared dream and their combined wealth. The findings lend credence to the assertion that Africa has a past full of historic glory and feats of achievements and that a renaissance is essential to unearth the huge potential that exists in this vast continent. In these chapters, we see the positioning of Africa as the cradle of humankind and how this would influence future world developments.

There is now global recognition that although most Sub-Saharan African countries face serious social, cultural, economic and political challenges, some of them, such as Egypt, Morocco, Algeria, Nigeria, Ghana, Ethiopia, Senegal, South Africa, Mauritius, Botswana and Malawi, have managed to implement policy reforms that have clearly propelled their economies on the road to prosperity. Similarly, evidence from the countries of South East Asia, Latin America and the Middle East demonstrates that macroeconomic aggregates must be stimulated to grow quickly and within a stable political and economic environment so that the private sector, especially indigenous entrepreneurs, can play a positive role in creating new wealth. To that end, investors, both foreign and domestic, must be given adequate safeguards and guarantees for their personal safety, investments and business premises. Monetary policy must at the same time ensure that interest and exchange rates do not fluctuate wildly and inflation is kept at a manageable level.

Chapters four and five talk about the sharing of power between the rich and poor countries and how Africa finds itself in the global village. Africa has been marginalised to the extent that the North does not realise that a more industrialised Africa can serve as the new 'safety valve' for a boiling global economy because the future of the world hinges on recognising that the African people must be given the chance to a fair share of global wealth and that further marginalisation of Africa is no longer a viable option for the G8 and OECD countries. Hence the postulation is that the future of humanity depends on Africa's ability to identify and develop its minerals and natural and agricultural resources to create new wealth and alleviate poverty, not only among the Africans but also in the rest of the world. To that end, Africa needs to build adequate national capacity and know-how for developing a wide range of attractive and bankable projects that will attract foreign direct investments. It is therefore not justifiable to say that the African people are poor because they choose to be poor, and that Africans are poor because they do not believe in their ability to pull themselves out of poverty. There is a large body of opinion both within and outside Africa that believes that Africans are poor because they do not derive benefits from the institutions created for them by the North. African countries are classified as poor because they do not own or control the science and technology and research and development for economic transformation that benefit their people.

In the next five chapters we have argued that, at the global level, industrialised countries need to change their mind-set and look at Africa as not only a source of primary commodities and minerals for their industrial sustenance, but also as a new partner in international development. Therefore, globalisation calls for the industrialised countries to accept that a partner who walks with them arm-in-arm is better than a partner they have to carry on their shoulders. The industrialised countries must also acknowledge that a united and strong Africa in terms of its political, industrial, and economic development is a better trading partner for the G8 and OECD countries than a weak and fragmented one. This

has been the case with the emerging industrial nations of South East Asia and Latin America that have turned out to be good development partners for the North. This should also be the case for Africa.

We have also examined various aspects of democracy and governance within the framework of the participation of the grassroots people, the equitable and fair distribution of national wealth and political power as the basis for growth and development. We have also analysed the issue of liberalisation of the political and national economic structures. As from the preceding chapter, we have learned that the design of appropriate structures for political governance and managing democracy in Africa must be people-centred. We have shown that for democracy to be sustainable, the civil society must have a clear vision of what it wants to become. Therefore, maximising people's welfare must be an integral aspect of the development paradigm. We have also argued that the vision of prosperity must be shared by all and must transcend ethnocentricity as well as political, tribal, racial and religious affiliations. In this regard, the governors and the governed must fully understand their respective duties and obligations to the nation under democracy. The point we wish to make here is that multi-party democracy calls for shared common values, which leadership is determined to abide by and with the full co-operation and support of the citizenry.

With regard to national sovereignty, we have asserted that the power to govern is a fundamental right of every nation-state and that no nation has the right to interfere in the internal affairs of any other state. It is also critical to achieving the African dream. We have emphasised that countries that have emerged from the trap of poverty are those that implemented home-grown development policy outside the interference of external factors. Therefore to allow the African dream to be realised, the respect for national sovereignty of both rich and poor nations should form the cornerstone of new global institutions for political, economic, social and cultural development. We have also analysed how

African people generally view the idea of a good global system. To the people of Africa, an ideal global relationship would be one that treats all people with justice and equity, regardless of their colour, race or creed. In order for globalisation to be of use to Africans, it must inspire trust in the global system of governance. We have drawn the conclusion that no nation or group of nations must be allowed to usurp the power of smaller states in order to govern according to its laws and customs. In that regard, national sovereignty as enshrined in the United Nations Charter must be respected by all nations at all times.

Chapters 11 to 14 discuss the need for food security as the basis for transformation and hence the realisation of the African dream. We have also talked about the need for Africa to be bound together towards one destiny and one common agenda under the African Union. In these chapters, we shall trace the story of one country's quest for success. This is the story of Malawi. We shall begin by stating that in order to go anywhere, one must know where one is going and how to get there. In the same way, the definition of an appropriate set of priorities is critical in assisting any country to define a clear road map for achieving a faster rate of growth and to combat poverty effectively. Poverty is the greatest enemy of all African nations and the main objective is to move out of the poverty trap in which many of our citizens find themselves. It is important for Africa to set the right priorities so as to attain prosperity at the national level while achieving the Millennium Development Goals under the United Nations. Malawi is carefully positioning its production and investment structures to meet the development needs of its people. This is because, faced with so many priorities, competing needs and limited financial and human resources, the Malawi Government found it imperative to establish development 'priorities within priorities' that are helping to launch the economy on the road to prosperity.

For the last decade, a number of African countries have managed to generate rapid growth that promised the breaking up of the 'vicious circle of poverty'. The African Dream is possible and

realizable; as can be seen from Malawi‘s economic experience between 2004 and 2009. The first part of Africa's economic success story came in the area of policy formulation. In Malawi the policy framework to kick-start macroeconomic was outlined in the Malawi Growth and Development Strategy, which was based on national consensus. First, the people agreed that Malawi is not a poor country; it is the people of Malawi that are poor. Malawians recognised that the country had huge agricultural and natural resources; these included fertile lands, rivers for hydro-electricity, irrigation and drinking water, four freshwater lakes for fisheries and aquaculture, mountains for tourism, and expansive valleys for cattle, goat and sheep ranching.

In the last chapter, we are looking at the Africa of a new beginning, the Africa of new hopes and new opportunities. We are saying that it is possible for the continent to move from Afro-pessimism to Afro-optimism. We are postulating that Africa will industrialise and develop using its own natural and human resources, using the skills and competence of its peoples, and taking full control of its own destiny. We are also asserting that Africa, with its vast yet to be tapped agricultural and mineral resources coupled with a new breed of enthusiastic and futuristic youth, will become the ‘safety valve’ for a boiling global economic, financial and monetary system.

© CIA
North Atlantic Ocean
South Atlantic Ocean
Indian Ocean
Mediterranean Sea
Black Sea
Caspian Sea
Aral Sea
Red Sea
Persian Gulf
Gulf of Aden
Arabian Sea
Gulf of Guinea
Mozambique Channel
Tropic of Cancer
Equator
Tropic of Capricorn
Dublin IRE.
U.K.
London
Amsterdam
NETH.
Brussels
BEL.
LUX.
Paris
FRANCE
SWITZ.
Bern
Milan
Marseille
AND.
Barcelona
Madrid
PORTUGAL
Lisbon
SPAIN
Ponta Delgada
AZORES (PORTUGAL)
MADEIRA ISLANDS (PORTUGAL)
Funchal
CANARY ISLANDS (SPAIN)
Las Palmas
Strait of Gibraltar
Rabat
Casablanca
Fès
MOROCCO
Marrakech
Oran
Algiers
Constantine
Tunis
Sicily
Valletta
MALTA
TUNISIA
Tripoli
Banghāzī
ALGERIA
LIBYA
Laayoune
Western Sahara
Nouadhibou
MAURITANIA
Nouakchott
CAPE VERDE
Praia
Dakar
SENEGAL
Banjul
THE GAMBIA
Bissau
GUINEA-BISSAU
GUINEA
Conakry
Freetown
SIERRA LEONE
Monrovia
LIBERIA
Bamako
Tombouctou
MALI
BURKINA FASO
Ouagadougou
Niamey
Agadez
NIGER
Zinder
Kano
NIGERIA
Abuja
Ogbomoso
Ibadan
Lagos
Porto-Novo
BENIN
TOGO
GHANA
Lomé
Accra
CÔTE D'IVOIRE
Yamoussoukro
Abidjan
Malabo
EQUATORIAL GUINEA
SAO TOME AND PRINCIPE
São Tomé
Libreville
GABON
Annobón (EQUA. GUI.)
Brazzaville
Pointe-Noire
ANGOLA (Cabinda)
Kinshasa
CAMEROON
Douala
Yaoundé
REP. OF THE CONGO
Bangui
CENTRAL AFRICAN REPUBLIC
Moundou
N'Djamena
CHAD
Kisangani
DEM. REP. OF THE CONGO
Mbuji-Mayi
Luanda
ANGOLA
Namibe
Lubango
Windhoek
Walvis Bay
NAMIBIA
BOTSWANA
Gaborone
Pretoria
Johannesburg
Mbabane
SWAZILAND
Maseru
LESOTHO
Durban
SOUTH AFRICA
Cape Town
Port Elizabeth
Lubumbashi
Kitwe
ZAMBIA
Lusaka
MALAWI
Lilongwe
Cidade de Nacala
Blantyre
Harare
ZIMBABWE
MOZAMBIQUE
Beira
Bassas da India (FRANCE)
Europa Island (FRANCE)
Juan de Nova Island (FRANCE)
Mahajanga
Toamasina
Antananarivo
MADAGASCAR
Port Louis
St. Denis
MAURITIUS
Reunion (FRANCE)
Tromelin Island (FRANCE)
Mayotte (admin. by France, claimed by Comoros)
COMOROS
Moroni
Glorioso Islands (FRANCE)
Mombasa
Dodoma
Zanzibar
Dar es Salaam
TANZANIA
Lake Nyasa
Lake Tanganyika
Lake Victoria
Bujumbura
BURUNDI
Bukavu
RWANDA
Kigali
UGANDA
Kampala
KENYA
Nairobi
Mogadishu
SOMALIA
Victoria
SEYCHELLES
Juba
Addis Ababa
ETHIOPIA
Hargeysa
Djibouti
DJIBOUTI
Socotra (YEMEN)
Sanaa
YEMEN
ERITREA
Asmara
Khartoum
Omdurman
SUDAN
Port Sudan
Jiddah
Mecca
Medina
SAUDI ARABIA
Riyadh
Manama
BAHR.
Doha
QATAR
Abu Dhabi
U.A.E.
Muscat
OMAN
Aswān
Al Jawf
EGYPT
Cairo
Al Jīzah
Alexandria
Jerusalem
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Amman
JORDAN
Baghdad
IRAQ
Kuwait
KUWAIT
Shīraz
Bandar Abbās
Esfahān
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Tashkent
UZBEKISTAN
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Prague
CZ. REP.
Warsaw
POLAND
Minsk
BELARUS
Kyiv
UKRAINE
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Zagreb
Sarajevo
Podgorica
Tirana
Rome
Naples
Sardinia
Corsica
Sofia
BULG.
Skopje
MACE.
Pristina
Belgrade
Bucharest
Vienna
Bern
Milan
ITALY
Marseille
Madrid
Barcelona
Lisbon
Paris
Brussels
Amsterdam
London
Dublin
Minsk
Kyiv
Rostov
Odesa
Sea of Azov
Black Sea
Tashkent
Aral Sea
Caspian Sea
Tehran
Mediterranean Sea
Tropic of Cancer
Equator
Tropic of Capricorn
Scale 1:51,400,000
Azimuthal Equal-Area Projection
0 800 Kilometers
0 800 Miles
Boundary representation is not necessarily authoritative.

1

THE CRADLE OF HUMANKIND

"Historians and anthropologists describe Africa as 'the cradle of humankind' and that the earliest known civilisations started on this continent. Africa had a glorious past. It was this realisation that inspired the presentation of *The African Dream as the central key to achieve prosperity in Africa*. History shows that Africa has played an important role in moulding world history, learning and science for millions of years. Great kingdoms existed on the continent that had influenced economic, social and political developments in the world. African kings, such as Hannibal, conquered parts of Europe. The great pyramids of Egypt, Great Zimbabwe (formerly the Zimbabwe Ruins) and the famous Timbuktu are all found on the African continent. Papyrus, the predecessor of modern paper, was invented by the ancient Egyptians. It is important to understand that the African dream seeks to regain Africa's past glory and for Africa to be included in world affairs."

(Bingu Wa Mutharika 1994)

THE AFRICAN ORIGINS

Let us start by stating that there is empirical evidence to show that man has lived continuously on the African continent for more than a million years and has contributed to modern social-economic development paradigms. For these reasons, nothing exists to support the denigration of Africa as a 'Dark Continent'. Although no adequate records were kept by Africans regarding the continent's political and economic history, ample evidence suggests that going back to 5000 BC large African civilisations of a highly sophisticated nature existed. Their governments were democratic in nature

and exhibited orderly socio-economic systems. Historians and archaeologists have unearthed comprehensive and indisputable proof that the ancient African kingdoms of Ghana, Songhai (Niger/Burkina Faso), Timbuktu (Mali), Nubia (southern Egypt/ northern Sudan), Axum (Ethiopia), Democratic Republic of Congo and Munhumotapa (Zimbabwe/Mozambique) had established culture contacts with distant economic and political societies. For instance, the kingdom of Ghana was known for its shrewd traders with contacts in countries as far away as China. Furthermore, cave paintings all over Africa depict cultures with distinct economies, just as in modern Africa.

In terms of socio-political organisation, Lloyd in his book *Africa in Social Change* (Lloyd, 1967) has shown that West African kingdoms were organised around a system in which the king ruled with the assistance of a Council of Advisors made up of chiefs. They performed administrative tasks, such as tax collection, managing the king's slaves, and even organising wars. Similarly, Murdock in *Africa: Its Peoples and their Cultures* (Murdock, 1959) gives a detailed account of Africa's early civilisations from which traditionalism and modern democracy emerged. He demonstrated that between 5000 and 4000 BC, agro-pastoralism was already well-developed in the upper Nile region of Egypt. This Neolithic form of agriculture later spread to the Mediterranean and other parts of North Africa. By this time, the dynasties of Egypt had already evolved a highly complex civilisation and sophisticated engineering technology, as seen in such mega-structures as the pyramids. The Sudan along the upper reaches of the Nile also possessed advanced agricultural systems and had spread its knowledge to Ethiopia and Nubia by 2000 BC.

Agro-pastoralism also played an important role in shaping African democracies and empowering the people. An important element that bound Africans together was agro-pastoralism, thus proving that Africa was indeed the *lux in tenebris*, or light in darkness for the world. This common bond lay and continues to lie at the very heart of African traditional and modern civil societies.

As African people evolved, the soil, rain, sunshine, forests, mountains and God all worked together in mystic harmony to provide for them. Agro-pastoralism, contrary to Western belief, was not and has never been a 'primitive' method of farming. Evidence shows that Africans had been able to feed themselves for thousands of years before the modern era and did not require food aid from other countries.

From ancient times to the present, new discoveries in science and technology, surviving the test of time, have enriched the way agriculture evolved. In fact, modern agronomy or agribusiness in Africa and elsewhere is simply the application of scientific research to the age-old systems of pastoral farming in order to increase productivity and yield. By the same token, large modern plantations and ranches can be seen as extensions of traditional farming to which huge amounts of financial capital, human resources and management have been applied. In other words, the concept of modern commercial farming is in no way superior to traditional farming. One of the main contributions of such farming to democracy was that it created a system of self-reliance, the cornerstone of modern African economic thought. This is fundamental, because history has taught us that nations able to develop their culture as the first step toward advancement achieve remarkable success with regard to socio-economic advancement. This has been true for India, Japan, South Korea, China, Singapore, Taiwan, Mexico and Brazil. This success was rooted in traditional farming, and later developed into highly mechanised farming. For Africa, it has never been a matter of whether or not we should develop agriculture but rather how best to do so.

In order to understand the richness of the ancient farming methods and how they influenced Africa's socio-economic development, let us briefly examine it within the context of early systems of food production and animal husbandry. In traditional societies, agro-pastoralism called for people to share in decision-making and this formed the basis for democracies. This was

largely because the state and bureaucratic machinery of the time recognised the importance of national identity and the survival of society as a whole. Traditional kings, such as the King of Swaziland and other African kings, were personally involved in cattle ranching, agricultural development and transformation. The introduction of new food crops from foreign lands became a matter of personal and intense interest of the kings. This involvement not only ensured a crop's success, but also its moral, cultural and spiritual acceptance as a staple food crop by the people.

Historians and anthropologists continue to debate which food and cash crops were first cultivated in Africa, the exact location of their discovery and the approximate date when agro-pastoral cultures first appeared. Such facts are only of academic interest. We should stress that agro-pastoralism as practised today, including the production of staple food crops, originated with Africa's early civilisations and continues to thrive.

From available evidence we can state that, although traditional economies began as subsistent, they evolved into elaborate systems of commercial exchange, using barter trade at first and eventually an agreed medium of exchange. The currencies used in trading consisted of precious metals, rare objects and artefacts, not paper or plastic money as we have today. The primary economic activity was the acquisition of food, particularly through hunting, fishing, fruit gathering and animal husbandry. Of these pursuits, hunting was the most widespread, especially in the African savannah where game abounded. As tribal societies became more settled, animal husbandry, through the domestication of wild animals, increasingly gained in importance. Possessing wealth, such as a large herd of livestock, was used to measure an individual's social status. In the next few paragraphs we shall provide an African Historical Chronology, even before the birth of Christ, in order to validate the claims that there existed advanced forms of civilisation on the African continent.

ARISTOCRATISM AND REGALISM

To round up the discussion of African democracy in the context of global relations, we need to examine the issue of aristocratism and regalism, which have always been part of African traditions. Africans revere leadership and authority. This must be understood within the context of understanding social and moral values. According to African democratic principles, a king's decision or orders were implemented without question. Even where kings did not exist, traditional chiefs and elders provided the necessary leadership in traditional societies, furnishing an identity, purpose and destiny. Therefore, it is plausible to argue that aristocratism and regalism have contributed immensely to the African democratic process.

How is this so? We can answer by saying that it is no accident that, over the centuries, African kings have shaped the socio-cultural aspirations of their people and moulded the economic, religious and political systems which emerged to form modern Africa. It has thus been widely accepted by historians that regalism was not 'imperialism' brought to Africa as a result of colonialism. We can thus define regalism as a government run by a monarch or king, supported by the society's most important chiefs as well as other citizens. In some societies, the king was regarded as a supreme being, anointed by God to lead His people, a distinctive characteristic of African governance that has stood the test of time in some countries. This concept is important in order to understand the evolution of the democratic process in Africa, since it is either a transformation of the ideology of regalism and aristocracy or an attempt to repudiate it.

The point to stress here is that, in a traditional democracy, decisions were made by chiefs, tribal rulers or kings. These individuals not only ruled but also acted as the custodians of the nation's moral values, culture, wealth and religion. Nobles and feudal warlords also ruled in many parts of Africa, either on their own behalf or on behalf of a king or emperor, in return for protection and social security. The regal monarchy or king exercised

absolute political, economic and social power. Monarchs also had unquestioned ecclesiastical supremacy over all citizens and were, in some cases, considered direct descendants of God or as 'God's Chosen Ones'. A brief review of the traditional monarchies and aristocracies in Africa might help us understand more fully the emerging democracies of Africa.

The art of democratic regalism was practised in Egypt as far back as *Akhenaton*, the pharaoh who ruled from 1375 to 1358 BC. Akhenaton was believed to be the first ruler in Africa to believe in 'One God' thereby linking regalism and ecclesiasticism. Several centuries later, the Kingdom of Nubia under the rule of *King Taharqa* (710-664 BC), sometimes known as *Tirhakah*, provided another example of democratic regalism. This king was believed to have created an empire with buildings and large monuments which later served as the foundations for modern Egypt and the Sudan. Then there was *Hannibal of Carthage*, who ruled sometime between 247 and 183 BC. Hannibal wielded power in a most extraordinary manner and was regarded as the most cunning and knowledgeable general of all times. He even conquered parts of Europe and he is believed to have ruled very democratically. Another early example of regalism was the Kingdom of Mali from 1312 to 1337 AD, when it was ruled by *Mansa Kankan Mussa*, the Great, and renowned world figure who exercised wide influence.

Then almost a century later the Kingdom of Songhai, in what is now called Niger/Burkina Faso, emerged between 1493 and 1592 under *Askia Muhammed Touré,* the Great King. He was a deeply religious Muslim ruler who sought to change traditional beliefs for the betterment of his people. In his special brand of democracy, he subdivided Songhai into administrative provinces, or governorates, headed by a paid governor who represented the king at the provincial level. He also standardised the system of laws and taxation. His system of taxation closely resembled modern African taxation policies which seek to reduce the burden on the poor masses by taxing the rich.

Further down in the tropics, another kingdom emerged in the Kongo between 1506 and 1542, under *King Affonso I*. He was a Christian who envisioned not a nation of scattered tribal cannibal groups, but a united civilisation, capable of absorbing new cultures and technological advancements. He modernised his kingdom beyond what was considered feasible at the time. He envisaged socio-economic progress as a blend of religious and physical attributes. Therefore, not only did he encourage his people to learn and become Christians, but he also introduced new skills and practices in agro-pastoralism, construction and carpentry. He established one of the most advanced educational systems in Black Africa at the time. King Affonso I was one of the few kings in Africa who was strong enough and had the moral courage and religious convictions to oppose the slave trade.

In Southern Africa, there were kingdoms in Lesotho, Swaziland and South Africa. The Swazi nation, for instance, has for centuries been ruled by a succession of traditional kings (Ingwenyama), the most famous of which were *King Sobhuza* I and *King Sobhuza II*. Deeply structured in traditionalism, the kings of Swaziland had governments that showed remarkable flexibility in adopting 'Western' democratic ideas and principles while remaining intrinsically African. Sobhuza I, for instance, held such deep convictions about his rule in the modern world that he signed a treaty with the United Kingdom, whereby his country came under British rule, thus insulating his country from threats from other kings' threats in the region. Later, King Sobhuza II introduced a highly developed legal system based on English law and justice. His kingdom also developed well-organised methods of local representation by which all people could have access to the king. The king was the supreme protector, benefactor and guardian of the nation's wealth and its democratic principles.

In modern times, regalism is still recognised as a way of life in some parts of Africa and plays an important role in unifying its peoples. African kings have always provided the stability upon which democracy is based. For instance, the Kingdoms of

Morocco, Lesotho and Swaziland have successfully managed to combine traditional systems of governance with external concepts, commanding great respect and reverence from their subjects. These kingdoms are fully democratic and decisions are made by the king in full consultation with his *Induna* (chiefs or elders). It is a curious fact that in countries where monarchies have been deposed through violent means, political and economic instability have always followed.

It is important to stress that democracy, accountability and the empowerment of the people have been the main ingredients for sound human relations in Africa for centuries. We have learned that African kings with clear foresight had managed to control the democratisation process to the advantage of their people long before much of Africa was known to the rest of the world. Those who have tried to stand against the tide have tended to wash away, disappearing into oblivion. We have also seen that Africa cannot develop through borrowed democracy. The people must evolve their own democratic principles. There is now growing consensus that Africa will begin to develop when its people begin to be proud to be African. The African socio-cultural renaissance is, therefore, a necessary condition for global democracy and economic development. The most important aspect of this new global relationship is the people.

We also observe that the philosophies developed under *Négritude, Ujamaa* and *Humanism* are assertions of African identity and provide a foundation for Africa's role in global relations. In fact, when Omar Bongo of Gabon proposed at the OAU Summit the creation of an African Cultural Common Market, he was recognising that Africa's development should be based on true African traditions and culture. He argued that when this is recognised, certain abstract economic phenomena, seemingly unrelated to the people, fall into place as part of a jigsaw puzzle of political, social and economic factors influencing sustainable growth and development. The tragedy is that most of Africa had already shifted its focus and direction,

copying Western democratic concepts and thus rejecting the fundamental principles of African traditional democracy. This divorced people from the development process and allowed the self-interests of those in power to become deeply rooted. When that happened, the misery of the masses became the joy of the few. Mass poverty was aggravated by politicians from the North who, after losing their colonial administrations, continued to exploit the African people in the name of globalisation. It is therefore important for African leadership and the donor community to understand that the mere transplanting of Western-style democracies into Africa without taking into full account traditional cultural values would be like building a house on water.

The world must also accept that considerable changes have taken place, moving Africa toward democratisation of its political and economic processes. Africans must remain positive and make every effort to ensure that the majority of Africa's rural communities participate in their nation's democracy and that Africa achieves sustainable growth and development. Moreover, the African people must recognise that democracy cannot thrive in a vacuum. Therefore, in designing a new democratic pluralism, we must make sure African nation-states and the G8 industrial nations complement one another at all levels of the world development processes. In the same way, religion, economic specialisation, or security, must also be recognised as critical factors in cementing bonds of kinship among tribal peoples. While recognising that accountability may at times be questionable, emerging governments must ensure that the newly established political structures are such that the chief or village headman and, at lower levels, the elders of a tribe, play an active role in the overall supervision and control of the democratic process and economic machinery.

The historic events listed above illustrate that Africa has a glorious past. According to evidence unearthed by archaeologists and anthropologists regarding man's continued existence on the

continent for over a million years, Africa is the ‘Cradle of Mankind’. Moreover, countless independent archaeologists in Ethiopia, Egypt, West Africa, East Africa and Southern Africa have found overwhelming evidence that African kingdoms that flourished long before and after the birth of Christ had their glory and fame known throughout the world. Even the mighty Roman Empire learned a great deal from civilisations in North Africa, especially those along the Mediterranean's shores. At one time, Africa enjoyed highly developed trade and commerce, technology, agriculture and art which influenced others throughout the world. The challenge is for modern Africa to build upon this glorious past in order to forge a single identity. This will help the continent define its path and ensure one Africa with one destiny.

THE AFRICAN RENAISSANCE

The African dream is the awakening and a new beginning. In order to fully understand how this relates to the African renaissance as the epitome of the African dream, we need to understand the pervasive effects of colonial policy on social framework. It is sufficient to point out that throughout the colonial era, up to the time of attaining political independence, the African people have been marginalised by the North and even by some countries in the South. History was distorted to lend credence to the claims by Europeans that Africans were primitive. Specially crafted systems of racial discrimination such as ‘Apartheid’ in South Africa and separate buses in America were devised to make black people subservient and second rate to other races. Similarly, international institutions, including the United Nations, were designed to exclude Africa in major decisions affecting world affairs. In fact, until the late 1970s, African countries believed that the New International Economic Order would guarantee their full participation in global economic decisions. However, by the beginning of the 1970s, it became clear that the North had no intention of developing Africa. Instead, Africa was marginalised in all major global, political and

economic aspects. Such marginalism has had social, political, economic and cultural dimensions that permeate all African endeavours. It occurs when important global decisions, critical to Africa's development, are made by industrialised countries without formally consulting Africa.

The marginalisation of Africa is not a new phenomenon. It began under colonial administrations when Africa was kept on the sidelines of the industrial, political and economic evolution occurring in metropolitan countries while African traditional democracies were systematically eliminated. An accepted colonial philosophy of the time was that if Africa were allowed to develop, its nations would gain independence from their colonial masters. A political decision was made to keep the colonies perpetually shackled to the metropolitan powers. Ample evidence shows that, during the *Scramble for Africa* from 1844 to about 1960, when a large number of African countries attained political independence under the French *Loi Cadre*, the marginalisation of the African political process was seen as a way of maintaining permanent control over African colonies.

The inevitable result was that the political independence created a political vacuum that was filled up by neo-colonial structures. As Africans hoisted their national flags, they found themselves waking up in the pockets of their erstwhile colonial masters. It is surprising that the same Western powers that ruthlessly destroyed African traditional democracies should now insist on their own brand of democracy being established as a pre-condition for future relations between Africa and the North.

The advocacy of the African renaissance is considered essential to heal the wounds of colonialism, which has had a terrible impact on African development prospects, not only in the plunder or political domination of Africa's territories, but even more so in the destruction of Africa's identity by imprisoning the mind. This was achieved by imposing colonial economic doctrines and philosophies upon Africa in an effort to destroy traditionalism.

A group of African people were carefully selected and indoctrinated to think and act like their colonial masters. These Africans religiously expanded the metropolitan powers' economic doctrines based on classical dogmatism and ensured their acceptance by their African brothers. Essentially, the colonial objective was to keep Africa's economic, social and political development at a level deemed adequate to support industrial Europe's supremacy. Many in Africa support this theory, firmly believing that the level of underdevelopment in Africa is the direct result of colonial policy.

Evidence also suggests that the best way to attain an African renaissance is to free the African mind-set from colonial and neo-colonial indoctrination. Science and technology would provide the best way to prevent people being used as an endless source of labour in the mines and plantations which only serve to supply raw materials and minerals for the industrialisation of the North. This practice forms the basis for G8 global supremacy and dominance. The African dream is not to hold the African masses back in a state of subservience while the rest of the world gains higher standards of living through trade or financial domination of Africa. Furthermore, this attempts to rescue the African people that are being held back from economic advancement by policies that prevent them from engaging in commercial agriculture or trading activities that compete with the North.

Another widely shared school of thought on the African renaissance is that the fundamental cause of the development crises lies with the powers that controlled the continent's destiny. Therefore, the North can no longer refuse to accept the important fact that Africans have development philosophies of their own. We shall examine this in a later chapter. For the moment, let us stress that the enslavement of the African mind-set continues to get in the way of choosing an appropriate development philosophy or ideology that is truly African. In fact, many Africans believe the shift from the neo-colonial to the internalisation of economic and political processes must be designed to meet the real needs of the people. In other words, the combining of Western and

African traditional concepts in policies and planning often causes confusion in the minds of ordinary Africans, because the economic theories and principles they have been persuaded to use cannot be easily applied to specific, local social frameworks in individual African countries.

FRAMEWORK OF THE AFRICAN DREAM

To understand the essence of the African dream, we must first understand that all Africans have agreed to search for an African identity and an African renaissance in the evolution of democracy in Africa. Early thoughts on African development were set within the traditional social framework developed by great African philosophers, such as Léopold Sédar Senghor, Julius Nyerere and Kenneth Kaunda, in their interpretation of traditionalism. In essence, these African statesmen independently asserted that, as the development process gathers momentum, the entire economy should move to a higher level of welfare or equilibrium where every citizen has access to good food, housing and clothing. It is plausible to argue with great conviction that a traditional society was best suited to Africa's conditions, because improving quality of life is the prime objective in development. The African philosophy of life states that human beings should be the centre of all development activity and anything that diminishes their status is alien to Africa. Let us now in the next few paragraphs take a look at the essence of the African renaissance as developed through the philosophies of *Négritude, Ujamaa*, and *Humanism*.

NÉGRITUDE

Another notable contribution to Africa's renaissance is *Négritude*, a concept developed by Léopold Sédar Senghor, the first President of the Republic of Senegal. In his book, *Nation et voie africaine du*

socialisme (Senghor, 1961), he described traditionalism as one way of manifesting what it means to be an African or 'Negro'. According to Senghor, *Négritude* was more than a concept, but rather a way of life for the African, an assertion of common origin, identity and destiny. He saw this as an attempt by Africa to establish an African identity, the African personality, through traditional values different from Western ideologies. Subsequently, other prominent writers such as Nnamdi Azikiwe, Dubois, Denis Osadebay and others began to find other outlets for the concept of *Négritude* within the framework of their own individual poetry or political expression.

What is *Négritude* and why did it become popular as a democratic alternative? There have been differences in the degree of adherence to the principles of *Négritude*. However, in general, it has been used as a response to colonial and neo-colonial attacks on traditional cultural values. Some believed this to be equal to Western philosophy; others believed that this was superior in its expression of true African values. Thus, *Négritude* can be described as a philosophy of being proud to be Black and African. It is also an attempt to bridge the gap between traditionalism and modern society, based on European notions and values. Senghor believed that democracy and spiritual freedom formed the basis for people's empowerment.

Senghor also talked of African traditional life as an 'ideal society' in which the exploitation of the masses by a few had to be stamped out entirely. The primary objective of this society was the satisfaction of 'spiritual needs' which transcend material needs. He further argued that these objectives had not been achieved in any European or American society. For him, an ideal society would ensure a system in which private capitalism peacefully co-exists and competes with socialism, although in the end socialism would gain prominence. He concluded that the defining characteristic of *Négritude*, therefore, was to: 'seek our own original mode, a Negro-African mode, of attaining these objectives, paying special attention to two elements, *economic democracy and spiritual freedom*'.

Looked at in this sense, Senghor's philosophy believed it essential to borrow from other value concepts and judgments, interweaving them with *Négritude*, while maintaining African characteristics. Such characteristics would be revealed through the contrast drawn between community-based development and factor-based development where people are a factor in production. For this reason, Senghor held the view that under traditionalism the African society:

> "is a community-based society, in which the hierarchy – and therefore power – is founded on spiritual and democratic values; on the law of primogeniture and election; in which decisions of all kinds are deliberated in a Palaver, after the ancestral gods have been consulted; in which work is shared out among sexes, and among techno-professional groups, based on religion."

UJAMAA

An important philosophy of democracy in East Africa was that of *Ujamaa,* which in Swahili means 'extended family'. This was developed by Julius Nyerere, the first President of Tanzania, in *Socialism and Rural Development* (Nyerere, 1987). Nyerere asserted that development should come from the people themselves, especially those in rural communities, since they make up the bulk of the population. Growth had to start with the village unit or scheme, and then spread to the rest of the economy. Villages have to be modernised through the re-organisation and re-grouping of people into productive social units. They have to be provided modern amenities so they can increase productivity and growth through traditional means. It was believed that the use of time-tested traditional morals, norms, principles and obligations would create wide support among rural communities, ensuring their full participation and commitment to development. According to Nyerere, the social and economic cohesion of society is ruled by a set of traditional beliefs that when not observed cause resentment, hostility or spite. Nyerere concluded that:

> "The traditional African family lived according to the basic principles of Ujamaa. Its members did this unconsciously and without any conception of what they were doing in political terms. They lived together and worked together because that was how they understood life, and how they reinforced each other against the difficulties they had to contend with – the uncertainties of wealth and sickness, the depredations of wild animals (and sometimes human enemies) and the cycle of life and death. The results of their joint effort were divided unequally among them according to well-understood customs. The division was always on the basis of the fact that every member of the family had to have enough to eat, some simple covering, and a place to sleep, before any of them (even the head of the family) had anything extra. The family members thought of themselves as one, and all their language and behaviour emphasised their unity. The basic goods of life were 'our food', 'our land', 'our cattle'... They lived together and they worked together and the result of their joint labour was the property of the family as a whole." (Nyerere,1987):

Nyerere concluded that this was the main element in the concept of 'welfare', often misunderstood by Western economists. In other words, while the traditional society thrived on self-reliance, it prevented the exploitation of resources for individual gain through the very system into which each individual was born. Moreover, each individual always evolved within the context of his community, village or family, giving him a sense of security and belonging, something lacking in Euro-American societies. In a traditional society, an individual's frustrations were greatly reduced due to constant collaboration within the civil society. One might argue even that this tended to reduce crime and juvenile delinquency as well as provide necessary political and social stability.

People were empowered by the practical framework of traditional society, which is based on tenets similar to those of modernised Western economies. It was motivated by the desire to satisfy basic human needs, control of natural resources, and find self-reliance and cohesiveness in society or the community through co-operative efforts. Economic collaboration was possible because of the security provided by the social framework of relatives, friends and acquaintances.

Nyerere also discussed another aspect of traditional society and empowerment, identified as survival through the satisfaction of human wants. He argued that these needs were both material and spiritual. They included food, health, water, recreation, social facilities, defence, security and religion. To meet material needs, for example, able-bodied males tilled the land, raised livestock, gathered fruit or hunted to maintain a constant supply of food and nutrition. These activities were not completed in an *ad hoc manner*, but rather followed the principles of supply and demand. In other words, the purpose of these activities was to satisfy human wants at the individual and society levels. It should be stressed that, although little or no currency was used in transactions, especially in the earlier stages of the civil society, demand existed and some articles received higher value than others. For instance, a cow might have had more value than a sheep or a goat, while a goat had more value than a duck or a chicken, and so on.

Empowerment and democratisation of socio-cultural entities under *Ujamaa* were reflected in a second critical element – collectivism – subsequently labelled communalism or collective self-reliance. In fact, informal organisations based on customs were at the heart of traditional societies. Although no force was used, all able-bodied males and females were required to work for the good of all. It was believed that any type or amount of work was easier if tackled together. While individual basic needs would remain different, combined labour and wisdom ensured that at the end of the day each member of society received according to his or her needs. In more than one sense, this represented the highest degree of perfection and organisation a welfare society could obtain.

HUMANISM

Another notable African philosophy of participatory democracy, similar to *Ujamaa* but developed independently, was *Humanism*. It was developed in Southern Africa by Kenneth David Kaunda, the

first President of Zambia. In *Humanism in Zambia* (Kaunda, 1974), he defined Humanism as absolute devotion to human interests or the human race through the complete dedication to development objectives and priorities for the betterment of mankind. *Humanism's* development principle is not only based on traditionalism, but borders on ecclesiasticism. According to Kaunda, humans are the centre of all development activity. Every person has a moral, social and religious obligation to help his or her neighbour, and all economic activities should aim to improve the welfare of all. The philosophy of Humanism, from his viewpoint, is central to the theme of traditionalism insofar as people's empowerment is an integral part of civil society, not a mere afterthought.

Kaunda postulated his philosophy of Humanism by linking it with traditionalism as a form of common identity. He stated that:

> "The traditional community was a mutual aid society. It was organised to satisfy the basic human needs of all its members and therefore, individualism was discouraged. Most resources, such as land, might be communally owned and administered by chiefs and village headmen for the benefit of everyone. If, for example, a villager required a new hut, all the men would turn to forests and fetch poles to erect the frame and bring grass for thatching. The women might be responsible for making the mud-plaster for the walls and two or three of them would undoubtedly brew some beer so that all the workers would be refreshed after a hot but satisfying day'' work. In the same spirit, the able-bodied would accept responsibility for tending and harvesting the gardens of the sick and infirm."
>
> **(Humanism in Zambia 1974)**

Kaunda stated that, under Humanism, the democratisation process is the co-operative society par excellence, based and structured on the idea that people have collective responsibility in decision-making. Society was organised in such a way that virtually any activity is done jointly. Kaunda further argued that present day ideological differences are based on economic interrelationships – who controls the means of production or who controls the distribution of a nation's wealth – and that democracy, as perceived within ownership and control of the means of production, recognizes that a key factor in development is the total welfare of the civil society while keeping in mind the needs

of society as a whole. He cautioned, however, that this must be done properly to avoid the emergence of a privileged class of individuals in society at the expense of others.

The most striking feature of these three great philosophies of *Ujamaa, Humanism* and *Négritude* was that though they were developed by three different African scholars with very distinct educational, social and political backgrounds, they arrived at similar conclusions regarding the African dream. We can then conclude that in order for the African dream to become reality, the principles of *Négritude*, *Ujamaa* and *Humanism* must be incorporated in the African economic thought and renaissance. This must centre on the genuine and almost religious conviction that an African renaissance implies all people are basically good and always work for the good of others.

Seen from the modern perspective of Western or Eastern European civilisations, African traditional society might easily be called ‘naïve’. This is largely because, in Africa, one has to prove one's trustworthiness to the entire community or society before being deemed trustworthy. The richness of African society lies in its inclusiveness. For instance, in many African ethnic groups a person does not restrict the title ‘father’ to the biological male parent. He or she may also address the father's brother as ‘father’ or call the mother's sister ‘mother’. Only the father's sisters would be addressed as ‘aunt’ and the mother's brother as ‘uncle’. The concept of ‘brothers’ would include not only the male children of the biological father, but also certain cousins and even members of the same clan with no close blood relationship in the Western sense.

To the Western observer, this is a confusing state of affairs, which led to the concept of the ‘extended family’. However, in African traditional societies, there is really no such thing as the ‘extended family’, because a family is not merely a husband and wife, or a courtesy title, but a very fundamental bond of relationships. It is true that with the title ‘father’ comes filial devotion. Hence, no child in a truly African society is likely to be orphaned, even if the natural

parents die, because other relatives would automatically assume parental responsibility for its upbringing. By the same token, the elderly are not likely to end their days in an old people's home or institution outside the family circle, because if their children cannot care for them, then other ‘children’ will accept the duty and privilege of doing so. According to the principles of the African renaissance, this is the highest form of human relationship in the civil society.

OBSERVATIONS

We have observed in this chapter that historians and anthropologists have given varied but consistent accounts of the existence of traditional, democratic societies in Africa, and have determined that these societies were clearly advanced and could not be described as ‘primitive’. Agriculture and trade formed the backbone of their economic activity and provided their social framework while other artisan activities, such as ironworking, leatherwork, woodwork and pottery, were associated with social advancement. These were essential elements of African democratic functions.

The African dream aims at ending the marginalisation of the African people under the globalisation that began with the continent's European colonisation. It is useful to recall that, to subjugate the African people, colonial powers dubbed Africa the ‘Dark Continent’. However, it can now be confidently asserted that Western scholars’ lack of adequate knowledge of Africa at the time led them to label Africa as such. It was these writers who were ‘in the dark’ about Africa.

2

WAR ON POVERTY

"Now I come to a very vital matter, which is the development of the Continent. The African Continent is very rich in resources but unfortunately, these resources are not developed yet. We are born at a very difficult time: We have not the necessary capital, the necessary equipment or the necessary know-how for the development of our Continent. Therefore, we find it absolutely necessary to rely on outsiders for the development of the African territories. I would like to tell the Conference that we must take every care to know who we invited to assist in the development of our resources, because there is fear, which is my personal fear, that, if we are not careful, we may have colonialism in a different form. Colonialism can take many different forms. Our countries can be colonised economically, if we are not careful. Just as we have fought political domination, it is also important that we fight against economic domination by other countries."

(Alhaji Sir Abubakar Tafawa Balewa of Nigeria, OAU, May 1963)

WHAT IS POVERTY?

The essence of the African dream is that poverty is not a permanent situation and that Africa is not a poor continent; rather it is the people of Africa who are poor. Africa is a rich continent, but before analysing this further, let us understand why it has been labelled the poorest continent in the world. The story the world is told about most African countries underscores the endemic poverty affecting millions of people in rural and urban areas and overshadowing the African Dream. This is an identity that no country is proud to wear. But no story is told about the huge economic potential for growth.

But what is poverty? Poverty is defined according to the social and cultural environment surrounding those affected by it. In rural settings, poverty can mean not having enough food to eat, not having a home or land to grow food, not having decent clothing or not being able to buy essential drugs or medicines. Poverty may also denote not having enough money to buy a bicycle or livestock, and so on. The most comprehensive definition of poverty among the African people was expressed by Robert McNamara, former President of the World Bank, when he said:

> "Throughout the developing nations, hunger and malnutrition are sapping energy, stunting bodies and slowing minds; illiteracy is locking out learning and paralysing opportunity; unemployment is not only robbing men of the minimal means to make their way, but leaving their pride broken and their ambition atrophied; wholly preventable diseases are injuring infants, killing children, and ageing adults long before their time. In sum, hundreds of millions of individual human lives with all their inherent potential are being threatened, narrowed, eroded, shortened, and finally terminated by a pervasive poverty that degrades and destroys all that it touches." (Conference on World Environment, Stockholm 1967)

McNamara's definition coincides with that of some African governments, who define poverty as a condition that is 'characterised by the lack of productive means to fulfil basic needs, such as food, water, shelter, education and health. The poor tend to have limited access to productive resources and basic services. More than half the population lives below the poverty line. The poor encompass all those who are unable to meet their nutritional requirements and essential non-food needs, equivalent to $40 per capita per annum.'

These definitions help us understand that poverty in Africa is partially due to the inability to create wealth from the continent's rich natural resources: good soil, an abundance of fresh water from lakes and rivers and a wide variety of agricultural cash crops. All of these resources could provide the basis for effectively dealing with the economic crisis. The people of Africa have been

trapped in abject poverty, largely because of the implementation of inappropriate natural resource policies. Economic history has taught us that the choice to be poor or rich is made by people.

However, we must remember that economic prosperity and the welfare of people do not come from outside. These are always internally induced. By the same token, no one from outside will develop Africa. It must be done by Africans themselves. Consumption, whether public or individual, is also a fundamental right. In other words, Africans have the right to spend all the wealth their countries now produce, or save some of it for future investment and growth. In that regard, domestic savings, capital accumulation and investment can only occur if the people are determined to have a better future.

The persistence of poverty in Africa raises a fundamental question: Why hasn't Africa been able to resume and sustain economic growth to alleviate poverty? No one seems to have all the answers. However, research shows contradictions exist in the design of development policies and strategies, to the extent that dreams of prosperity are not matched by real commitment. Neither governments nor donors really knew what kind of impact adopted policies would have on the poor. Situations also exist where poverty is found amidst abundance; unemployment amidst shortages of skilled manpower; malnutrition and hunger amidst bumper food harvests; disease and death amidst breakthroughs in the medical sciences; and, ignorance amidst phenomenal advancements in information technology. The explanation for these contradictions can be found in the consequences of policies chosen to deal with crises and their cumulative impact on the socio-economic framework. Critics argue that Africa's endemic poverty is caused by those who control other peoples' destiny not wanting to distribute each nation's wealth equitably among its different peoples. Cynics even argue that those in power do not wish to jeopardise their position by spreading development to the masses.

Since the mid-1980s, economic growth in many African countries has been sluggish. In some countries in Sub-Saharan

Africa, negative growth has actually occurred. This can be partially explained by the fact that some adopted policies placed a stranglehold on manufacturing industry, contributing to a situation, over the past two decades, in which some countries imported more than they exported. Export performance became sluggish and balance of payments deficits began to sharply increase. While this occurred, the capacity to generate revenue began to slow down, and countries gradually leaned more and more heavily on the IMF for balance of payments support.

The poverty coefficient has for a long time indicated a growing number of people living below the poverty line without basic necessities. A large and growing number of children have become destitute, orphaned, blind and disabled. Many children have taken to the streets to beg for food. The number of adults and elderly unable to care for themselves is growing at an alarming rate, thereby making poverty the curse of African nations.

Against this backdrop, the story that needs to be told is that some governments, since the 1990s and with support from donors, have made tremendous efforts to reverse the economic downturn. A number of programmes have been implemented that are intended to regenerate growth and address the poverty crisis. In physical infrastructure, donors have supported the construction and rehabilitation of many roads and bridges across countries. In social infrastructure, institutions for higher learning, schools, hospitals and rural health clinics have been built in many of our countries; new social facilities have opened up serving people in both urban and rural areas. Free primary education in many countries has resulted in scores of people getting a basic education, unavailable to them before. Although poverty remains rampant, these indicators provide positive examples of economic and social infrastructure upon which Africa can build its future.

THE SPREAD OF POVERTY

Poverty is indeed the scourge and curse of the African continent. Therefore, at the African Union level, it has been agreed that Africa's total effort should be made towards eradicating poverty. This is why many African governments have made heroic efforts since the 1970s to achieve economic growth in their countries and alleviate poverty. In Malawi for instance, measures addressing poverty were agreed to under the Malawi Growth and Development Strategy, which established a policy framework within which the Malawi economy is expected to grow. In general other economic reforms, such as the Structural Adjustment Facility, the Extended Fund Facility, the Enhanced Structural Adjustment Facility and the Poverty Reduction Strategy Papers, were included as part of the road map to prosperity for African countries. Some of these reforms have been implemented with zeal and dexterity in Africa. However, the dream of visible economic prosperity has not materialised and the flow of resources does not match the results of the structural adjustments and economic and political reforms that have been implemented.

At the international level, Africa has been unable to take advantage of the liberalisation of the global economy to end poverty because it has few manufactured goods to export apart from agricultural primary commodities. Most African countries have chronic balance of payments problems and unsustainable external debt service obligations. Some of them also have adverse trade balances because imports greatly exceed exports. This situation resulted in part from the Bretton Woods Institutions having over many decades focused their structural adjustment interventions on the demand and consumption side of African economies without considering the supply side. In other words, by pushing liberalisation on economies that are partially monetised, these institutions created imbalances in the foreign trade and exchange regimes of African countries. This also implied that Africa would continue to obtain all its capital requirements as well as manufactured and even processed food from the North.

As a result of the inappropriate policies imposed by Washington, African nations continue to face serious challenges of eradicating poverty. In order to mitigate these effects, there is consensus that African governments must adopt home-grown policy reforms that adequately respond to interventions for poverty alleviation. There is agreement that no comfort exists in having two economic systems within the United Nations – one rich and prosperous, one poor and deprived. This is why former US Treasury Secretary Paul H. O'Neill said: "The challenge for every person, every agency of government and every non-governmental organisation that cares about Africa is to work together to accelerate the movement from human deprivation to the full realisation of individual human potential."

This statement exposes the dichotomy that Africa faces in coping with globalisation as a platform for resolving underdevelopment in Africa. To this end, Africa and the development partners need to agree on a new global partnership that will alleviate and eventually eradicate poverty. Specifically, global consensus needs to be built on how to find practical and lasting solutions to the crises described below.

Food Insecurity

Most African countries are agricultural economies that cannot feed themselves. The challenge is how to ensure Africa grows enough food to feed its ever-increasing population that continues to face serious food shortages, hunger, malnutrition and starvation. The African Food Basket programme aims at exploring new ways of taking advantage of Africa's enormous agricultural potential to produce enough food for all, especially the rural and urban poor, at affordable prices. The African Green Revolution is a dream that can come true.

Water Shortages

Despite having many lakes and rivers, most African countries have difficulties providing adequate drinking water. The vast majority of people in both rural and urban areas are forced to drink dirty and

contaminated water that easily spread disease. New ways need to be found to manage Africa's vast water resources more efficiently and ensure that more people, in both the rural and urban areas, have safe drinking water. By the same token, Africa must find a way to harvest water for extensive irrigation so that countries can produce at least two staple food crops per year.

Inadequate Housing

The establishment of UN Habitat, in Nairobi, Kenya, brought the hope of tackling one of the basic needs – housing. However, the majority of people in rural and urban sub-Saharan Africa still have no homes. In most cases, the cost of constructing low-budget housing has proved beyond the reach of the poor and even governments. The challenge is how to build decent housing for the growing number of people in urban and rural areas as well as provide good, habitable dwellings for those individuals who now live in shacks and hovels, so they may be protected from rain and severe weather.

Insufficient Clothing

Clothing is one of the basic human needs identified by the United Nations and a critical element of poverty alleviation. Africa's poor population often do not even have one set of clothing. The challenge is to find a way for people, especially in rural areas, that cannot afford decent clothing to cope with severe weather conditions.

Inadequate Health Services

Africa faces a serious challenge to provide adequate health facilities for its growing populations. In most parts of Africa, there is are unacceptable high rates of maternal, infant and child mortality and this situation is aggravated by the fact that the majority of people in rural areas cannot afford to buy medicines, even for primary health care. Children living in squalid conditions are also prone to malnutrition and preventable childhood diseases. Furthermore, the HIV/AIDS pandemic, which is one of the most serious catastrophes facing humankind, adds strain to the already meagre

and overstretched health facilities and public health resources. HIV/AIDS claims countless lives, showing no signs of letting up, and is slowing down macroeconomic growth in African countries.

The challenge is to effectively halt the death of so many people from HIV/AIDS and other opportunistic infectious diseases, such as malaria, cholera, tuberculosis, polio and measles. Effective means of empowering the poor are needed so they may access basic primary health care and medicines, such as aspirin, painkillers, anti-malarial drugs, anti-retroviral drugs, basic antibiotics and blood pressure medication, and do so at facilities within walking distance.

Inadequate Capacity for Development

Another serious problem facing Africa is the inadequate national capacity for sound macroeconomic analysis, economic planning, implementation, and monitoring and evaluation of projects for growth. This situation is partly a consequence of the education policies most African countries have had since independence. Training has prepared people for white-collar jobs, instead of developing their technical skills. Another reason for this situation is the serious brain drain resulting from poor human resource development, deployment, utilisation and motivation. As a result of these three conditions, Africa now faces a human catastrophe that is proving insurmountable.

In almost all Sub-Saharan African countries, there is need for more physicians, scientists, engineers, technologists, environmentalists, teachers, nurses, researchers and many other professions to drive the agents of change. A new policy direction is needed to fast-track high-quality education to build enough capacity to cope with this catastrophe to meet the increasing demand for modern economic and political management of our countries; how to improve free primary education to reduce high illiteracy rates and the number of school dropouts; and, most importantly, how to redesign the education system to educate and train children to create their own businesses, rather than look to government for jobs.

Inadequate Financial Resources

The most critical aspects of the crises of development in Africa comprise the lack of adequate development finance from donor funding, foreign direct investment and local resources. This is due to a number of factors. First, there are inadequate efforts to build local investor confidence in the economy so individuals will make significant investments in the productive sectors of agriculture, industry and manufacturing. At present existing financial policies do not lead to indigenous entrepreneurs producing new income and wealth. Instead they re-cycle limited resources to a growing demand market.

Second, inadequate mechanisms exist for assuring foreign investors that economies are being efficiently managed and lucrative ventures can be undertaken in Africa. Africa needs huge inflows of foreign direct investments in projects that will make a difference, but generally lacks the ability to attract such resources.

Third, because of shifting policies by the donor communities, there have been difficulties ensuring that African governments are able to deliver on their promises to the rest of the world. Consequently, turning this situation around and attracting sufficient investment financing that would ensure sustainable growth and development have proved difficult.

In order to address these and related crises, the next several chapters will focus on unearthing the real causes behind Africa's inability to meet economic growth benchmarks and why such growth has stagnated or declined over the past five decades. An alternative growth policy is needed to kick-start the growth process, and thus, liberate the masses from the poverty trap. The real causes of the African economic crisis need to be identified in order to find effective ways of re-ordering priorities while bearing in mind the limited resources available.

In searching for an appropriate development paradigm, a number of ideas can be implemented to navigate a growth

path for Africa based on the use of Africa's natural resources. One such idea is to encourage ownership of the development process by nationals as a factor critical to growth. This would enable Africans to adopt new policies and strategies that could lead them out of financial and economic crises. The reason the African economy has continued to perform dismally hinges on problems of lack of freedom of choice by governments of the desired economic path, good governance and accountability, also central to the problems of managing economic growth with limited resources. At the same time, Africa must abandon bad financial and monetary policies that have failed nations in the past and try new strategies in order to move into the future with new hopes and expectations. Attitudes and mind-set must also be changed to accept Africa's full responsibility for driving the economies forward.

POVERTY: A GLOBAL OVERVIEW

The challenge of world poverty has been recognised by the United Nations and global efforts to address the issue of poverty have been made in numerous forums, the most recent of which was the United Nations Millennium Summit held in September, 2000. The Summit laid out eight Millennium Development Goals (MDGs) that form the basis for collective action at the international level to address the problems of poverty and underdevelopment. The Millennium Development Goals run from 2000 to 2015 and strive to achieve the development objectives outlines below:

Goal 1: Eradication of Extreme Poverty and Hunger

Extreme poverty and hunger are the greatest curse for humanity. Therefore, the United Nations agreed to cut in half the number of people whose income is less than one dollar a day and the number of people who suffer from hunger by 2015.

Goal 2: Attainment of Universal Primary Education in all Countries by the Year 2015

In order to create a sound base for capacity building for future development, universal primary education was considered critical to the development of the child. The United Nations agreed to ensure that children of both sexes everywhere are able to complete a full course of primary education.

Goal 3: Promotion of Gender Equality and Empowerment of Women

In order to promote gender equality and empower women in development, the United Nations agreed to eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015.

Goal 4: Reduction in Infant Mortality

In many developing countries, a large number of children die in infancy or before the age of five. To mitigate this problem, the United Nations agreed to reduce infant mortality by two thirds by 2015.

Goal 5: Improvement of Maternal Health

Throughout the developing world, a large number of women die while giving birth. It is unacceptable that a woman should die while bringing life on this earth. Therefore, the United Nations agreed to reduce the maternal mortality rate by three quarters by 2015.

Goal 6: Combating HIV/AIDS, Malaria and Other Diseases

HIV/AIDS, malaria, tuberculosis and other readily preventable diseases continue to claim many lives especially in developing countries. The United Nations agreed to halt, and begin to reverse, the spread of HIV/AIDS as well as halt, and begin to reverse, the incidence of malaria and other major diseases by 2015.

Goal 7: Ensuring Environmental Sustainability

Climate change, global warming and environmental degradation

have become a serious threat to humanity. Therefore, the United Nations agreed to: integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources; cut in half the number of people without access to safe drinking water by 2015; and, achieve significant improvement in the lives of at least 100 million slum dwellers by 2020.

Goal 8: Developing a Global Partnership for Development

The interdependence of the world community is considered by the United Nations as the basis for global cooperation in addressing the problems of world poverty, peace and security. It was therefore agreed to develop an open, rule-based, predictable, non-discriminatory trading and financial system; address the special needs of the least developed countries; address the special needs of land-locked countries and small island developing states; and deal comprehensively with debt problems in developing countries through national and international measures to make debt sustainable over the long term.

It is equally important to understand the historical perspectives of poverty and that the present crisis did not develop overnight, but is the result of multiple factors, including lopsided development policies and the neglect of agriculture. Many African countries adopted the 'soft-choice' option in development to the extent that they depend heavily on foreign aid and technical assistance while paying little or no attention to domestic resources mobilisation so critical to national sovereignty.

The impact of such policy choices is reflected in the fact that during the 1960s, and until the early 1970s, most African countries had food surpluses and positive trade balances. Measures were implemented that ensured that the value of exports grew at an average of 5% annually and population growth was below rates of the Gross National Product (GNP), an average rate of just over 5%. Growth in agricultural production, including food, kept ahead of population growth and, on the whole, a number of countries

maintained a perspective of healthy growth. The current economic disequilibrium in many Sub-Saharan African countries is not new but began just after the mid-1970s when African governments adopted policies imposed by the World Bank and the IMF that culminated in aggravated external imbalances that later became chronic.

Based on the above, the future of Africa will remain bleak unless deliberate, fundamental and drastic measures are taken to change the situation. For instance, a recently conducted study on historical trends for Sub-Saharan Africa reveals the following:

(a) If birth rates are not brought under control, Africa will have a population of nearly one billion by the year 2030, with a total work force of over 500 million, over half of them unemployed, thus creating serious social and political problems;

(b) If economic growth and performance rates do not substantially improve to an average of at least 6% per annum, social infrastructure will sharply deteriorate and most African countries will need about 10 million new housing units each year and the urban poor will increase to over 300 million. At the same time, per capita incomes will barely rise to $400, but in real terms the current poor will become even poorer;

(c) If agricultural production does not increase, especially of basic food crops, such as rice, maize, wheat, roots, tubers, pulses, beans and meat, food shortages will become more serious by the year 2015. Consequently, food production will need to increase significantly if hunger is to be permanently averted.

(d) If no new increased investments are made in industrial production, and manufacturing and processing or minerals, raw materials and agro-processing on the African continent, African countries will significantly increase their imports of manufactured goods from the North, thereby causing a further drain on already meagre foreign exchange reserves and creating new unsustainable trade imbalances.

ERADICATING POVERTY

The issues outlined in the preceding paragraph are real and serious. In assessing past economic performance, an issue stands out – African countries will not get funding to develop by pleading that they are poor. Experience has shown that Africans, together with the rest of the world's poor, tried in vain in the 1970s to use poverty as a means to obtain more money from industrialised nations when they demanded that rich nations give over 0.7% of their Gross National Product. An exclusive club, called the 'Least Developed Countries' (LDCs), was created to fine-tune the art of begging, but nothing really happened. While it is agreed that no nation in the world has an obligation to help African countries simply because they are poor, a growing number of policy-makers in the G8 are beginning to review seriously their aid policies to support industrialisation of Africa. Instead, the flow of foreign aid has declined since then. Foreign direct investment avoided Africa, with capital fleeing to Southeast Asia and Latin America. Industrialised countries grew richer, while those in most of Africa became poorer. This trend continues today.

Therefore, Africa must adopt a different strategy in order to position itself to take advantage of globalisation, especially in securing a competitive edge in the production and export of processed agricultural and manufactured products, such as textiles, cigarettes, tea, sugar, coffee and vegetable oils. Many observers feel that Africa can attain sustained growth and eradicate poverty within the foreseeable future if specific conditions are met. These are spelled out later in this book. However, the fulfilment of conditions for resuming growth has become difficult and there is, therefore, need to reorganise the socio-economic framework by adopting a new policy approach based on the best practices.

It is imperative to move away from neoclassical dogmatism in order to redesign a holistic national macroeconomic growth policy. Such a policy must be fully understood by the private sector and supported by donors and the rest of the international community.

The growth policies should also adequately respond to the many social and economic needs of the continent's countries. Furthermore, the macroeconomic programme should strike a balance between short-term responsive policy for crisis management and medium to long-term perspective planning, leading to real transformation in the economy and sustainable growth and development. Furthermore, Africa's development strategy should be supported by known and potential domestic resources. There is thus the need for a full inventory and assessment of domestic natural resources so that sound and attractive investment packages can be developed to attract foreign direct investment.

Most African countries have unstable economic structures largely due to extreme dependence on one crop, such as tobacco, copper, oil, cocoa, or coffee. A new strategy is needed for appropriate policy mix that will allow a country to produce quality goods affordable by ordinary people. Great potential exists for economic diversification within the Regional Economic Communities as well as at the national level. This would be supported by increased production of essential agricultural inputs, such as seeds, fertilisers and insecticides, and would be available to farmers at affordable prices. The policy interventions should result in redesigning strategies pertaining to the agricultural and industrial sectors so that full diversification helps the economy move away from dependence on a few agricultural commodities and minerals for most of its export earnings. This can be achieved by upgrading existing manufacturing industries to high levels of efficiency and competitiveness and by establishing new and more efficient manufacturing and processing industries, so they may produce a new range of finished, capital and intermediate goods for export to regional and international markets.

In order to direct the African economy along a determined path, it is imperative to design and adopt complementary national, regional and continental development plans that guide economic, social and political governance. The planning should move us away from managing consumption and public expenditure to managing

production and income generation. Each nation needs to know the number, quality and level of industries, infrastructures, human resources and training institutions, hospitals, roads and housing the nation will have five, ten, fifteen and twenty years from now. Regional economic planning should help integrate the design of appropriate monetary and investment policies to address financial distortions in the economies characterised by serious foreign exchange shortages, mounting debt service burdens and chronic balance of payments deficits.

Related to this is the need to formulate appropriate fiscal and monetary policies to promote efficient management of national and regional budgets, harmonisation of interest rates and common policies to control inflation. Planning will also enable a country to respond to national disasters through recovery policies following natural disasters, such as droughts, famines, floods and storms, to quickly restore growth and investor confidence in the country.

In designing strategies to alleviate poverty, due cognizance must be given of the fact that Africa has large numbers of women and youth who are poor and deprived, but who represent huge development potential that has yet to be fully utilised. They constitute a vast reservoir of human capital. Past success or failure to articulate, design and implement a policy regarding this section of society has been determined to some extent by the policy's failure to empower women in this sector. There is now a growing consensus that women and the youth will, to a large extent, determine the future growth path of Africa's economy. They will also determine whether or not Africa can break the ‘vicious circle of poverty’.

The new thrust of Africa's growth policy needs to take into account the role of the youth within a global geo-political environment. Economic governance will be measured with an eye towards solving the specific problems encountered when trying to harness youth's potential in the transformation and growth of the

economy. Good political governance, on the other hand, will be measured by how successful Africa is in strengthening emerging democracy, how well each country diffuses political tension and builds national consensus on how to deal with scarcity, human rights, the rule of law and civil liberties in order to achieve macroeconomic growth and sustained development.

Another consensus has also emerged in the economic literature that private sector growth can play a key role in reducing poverty in Africa. Many agree that the private sector has a social responsibility to support government to create the necessary appropriate atmosphere. Major stakeholders – governments, ruling and opposition political parties, bilateral and multilateral donors and the private sector – must agree on a new mechanism that will encourage the full participation of the private sector in economic growth and development strategies, and which all parties actively participate in implementing. The premise behind this idea is that a more vibrant public offers better investment opportunities to the private sector. Governments, in particular, must be wholly committed to playing their role in promoting adherence to all national policy designed to ensure the viability of business ventures and produce more wealth for the nation.

The African dream is founded on the need for Africans to believe that we can change for the better. Indeed, we must believe that we can turn the great mineral and natural resources, so abundant on our continent, into a source for creating new wealth and develop like any other continent in the world. We shall develop this concept later in this chapter. For the moment we should recognise that the socio-economic framework discussed in the next two chapters paints a gloomy picture of Africa's future, revealing a serious problem in Africa's assessment, evaluation and utilisation of its natural resources to combat poverty.

Let us start by stating that the African dream is to survive in the global village. But first, we must eliminate the popular notion that Africa cannot develop because of its lack of resources, and

that the only way for development to occur is if countries continue to seek donor funding. Some countries remain fixed on the idea that, without donor funding, Africa's economic growth will be minimal and slow. We shall, however, demonstrate that Africa has immense natural resources that can be turned into wealth, and that what African governments need to do is effectively project Africa as an attractive destination and safe place for global investment.

The economic history of the world shows that a nation's endowment of natural resources plays a critical role in the industrialisation and economic transformation of that nation. In Africa, most governments have failed to manage poverty, largely because they are unable to assess and process our natural resources to create new wealth and attain growth and development. Management of economic growth starts with identifying and taking a full inventory of the natural resource base. If a country has vast mineral resources, its economic growth path will generally be towards mining. Another country may not have such minerals, but is richly endowed with agricultural resources, and therefore, its economic growth path will follow an agriculture-led growth model.

The traditional method of measuring the economic prosperity of a nation is through the compilation of its GDP, the total value of goods and services produced by the nation over a given period of time. GDP measures macroeconomic aggregates, such as total production of agriculture, industry, manufacturing, trade, consumption, employment, and services. The wealth of each individual citizen is then measured by dividing the country's total wealth by the total population to obtain the average income per head, or per capita GDP. Growth and prosperity are said to take place when the *per capita* GDP increases. In reality, of course, all people do not have an equal share in the GDP.

The application of science and technology in the identification, exploitation and utilisation of natural resources affects, in large measure, the rate of macroeconomic growth a country can attain,

and thus the degree of success it attains in poverty alleviation programmes. It appears that countries with minerals, such as diamonds, gold, chrome, silver, asbestos, copper and coal, have experienced greater economic advancement than those that depend largely on agricultural raw materials. This is because foreign investors can readily assess the gains to be made from investing in these sectors. Rostow observed that countries endowed with natural resources, that had a geographical location making trade easy with the rest of the world, and that had responsive economic and political structures, attained growth and development much faster than those that did not.

Evidence shows that, by using natural resource endowments from their colonies and territories as a base, the now industrialised countries of Europe and North America were able to manage macroeconomic growth by taking the following measures. First, they were able to process agricultural raw materials to create new goods for sale and increase food production beyond subsistence. To do so, they took into account the role of entrepreneurs and the need to transform and modernise the agricultural sector by providing necessary financing, training, marketing, and extension services among other things.

Second, after the Industrial Revolution, production and manufacturing were reorganised to encompass several mutually supporting ventures, paying special attention to the countries' consumption needs. This reorganisation was accompanied by special programmes for promoting the role of the private sector, especially at small and medium-scale levels.

Third, there was a need to build national capacity for political and economic governance, which included developing research capacity for the design, application and adaptation of science and technology to support the economic recovery and transformation of Europe. This was done by fully utilising natural resources from the colonies and territories to supplement domestic resources.

In Africa, it has been difficult for governments to acquire information on their natural resources due to lack of application of science and technology. This is because resourcefulness, inventiveness or innovations are controlled by foreign interests. Similarly, policy-makers have not been able to think beyond the economic crisis to find new opportunities using their own natural resources. However, Africans have also realised that aid from the outside can be withheld at any time and, even when it does arrive, it always comes with strings attached. Despite this realisation, African economic management policy is still highly dependent on donor perceptions and motives for Africa. This implies that implementation of policies can easily be interrupted if donor funding is not forthcoming, causing economic stagnation. Indeed, because of the above factors, development policies and strategies have limited relevance so long as the belief persists that a country cannot decide its own growth path because its people are poor.

THE NATURE OF AFRICA'S WEALTH

In this section we shall justify the assertion that 'Africa is not a poor continent'. We start by stating the obvious, that African nations are literally sitting on immense natural resources that can be turned into wealth. These can be classified into several categories, which include land, water, cash crops, energy, mineral resources, fish, forests, oil, solar and geo-thermal energy and human resources. For further detail regarding each of these categories, please see the chart and text that follow.

Land

Land is one of the most important forms of wealth Africa has. Most African countries have large land areas consisting of thousands of hectares of arable land, of which less than 10% is used. This means that many countries could increase their agricultural and food production several-fold by cultivating more land. Africa must efficiently utilise its land to generate growth and alleviate poverty.

Water Resources

Africa is surrounded by large oceans and has many freshwater lakes stocked with an abundance of a variety of fish including lobsters, shrimps, prawns, tilapia and other exotic tropical fish species – some not found anywhere else in the world. Africa also has many large rivers, streams and tributaries flowing year round that can be utilised for irrigation. These river basins are extremely fertile, have good rainfall and could be easily irrigated to grow almost any crop. These can form the basis for a viable fishing industry. The rivers can support a large crocodile industry, producing skins and meat for export. In fact, Africa has more freshwater resources that can be harnessed for irrigation and to create electricity than any other continent in the world. In the absence of rain, Africa could grow with irrigation enough food to feed its people and sell to other countries around the world.

Cash Crops

Africa has a large variety of cash crops that can be commercially grown and processed for export. Its countries are endowed with large fertile basins, plains and wetlands where almost any cash crop could be grown commercially. Possible cash crops include cotton, tobacco, tea, sugar, rice, coffee, cocoa, lentils, beans, groundnuts, cassava, sweet potatoes, pumpkins, maize, paprika, macadamia nuts, citrus fruits, and millet. These crops could create immense wealth through value addition and by exporting them. In fact, Africa can grow a wider range of agricultural products than many other developing countries in Latin America, the Middle East and South East Asia.

Energy

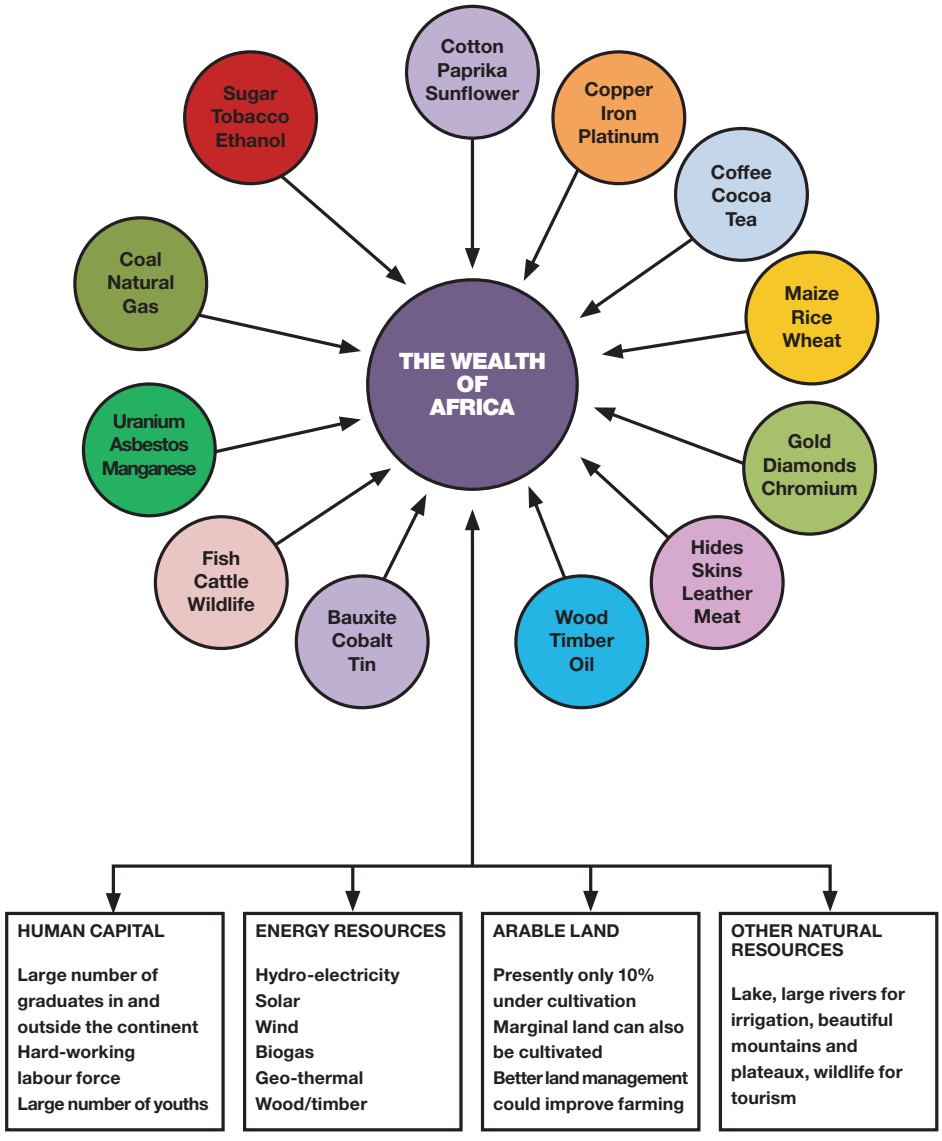
Energy resources that have not been fully exploited include solar, wind, biogas, thermal and geo-thermal. In order to convert agricultural potential into wealth, Africa needs energy. In that regard, most of the rivers mentioned earlier have falls, which can be harnessed to produce enough hydropower to churn agriculture and industry.

Mineral Resources

In addition to land, water and energy resources, Africa has a wide range of other natural resources that can be developed to enhance economic growth. These include gold, uranium, chrome, iron, steel, coal, copper, diamonds, asbestos, phosphates, bauxite, emeralds, semi-precious stones, and other rare minerals.

Human Resources

With a population of nearly one billion people, Africa has a large and talented human resource base, currently used to benefit the industrialised world. The African people have long been known for their hard work and dependability. They have made significant contributions to the economic development of Europe, where they have been counted among the best and most reliable professionals as well as skilled and semi-skilled labour in the world.


THE WEALTH OF AFRICA
Cotton Paprika Sunflower
Copper Iron Platinum
Coffee Cocoa Tea
Maize Rice Wheat
Gold Diamonds Chromium
Hides Skins Leather Meat
Wood Timber Oil
Bauxite Cobalt Tin
Fish Cattle Wildlife
Uranium Asbestos Manganese
Coal Natural Gas
Sugar Tobacco Ethanol
HUMAN CAPITAL
Large number of graduates in and outside the continent
Hard-working labour force
Large number of youths
ENERGY RESOURCES
Hydro-electricity
Solar
Wind
Biogas
Geo-thermal
Wood/timber
ARABLE LAND
Presently only 10% under cultivation
Marginal land can also be cultivated
Better land management could improve farming
OTHER NATURAL RESOURCES
Lake, large rivers for irrigation, beautiful mountains and plateaux, wildlife for tourism

CREATING NEW WEALTH

In the preceding sections, we have clearly demonstrated that African countries can have strong collective bargaining power in globalisation by working together to use their natural resources, and turning them into immense wealth. There is huge potential to manage economic and external trade using Africa's natural endowments. The African people are poor, partly because of failure to recognise these natural endowments and fully utilise them, and partly because of the belief that a country cannot develop when there are no large mineral deposits. In contrast, countries such as Singapore, Taiwan, South Korea, Hong Kong, Mauritius, Israel and Japan, described as 'economic miracles', have fewer natural resources and arable land than Africa. These countries refused to accept they were poor and made a bold decision to develop, starting with the natural and human resources they already had.

Their success has led to the belief that an appropriate growth path for Africa would be to establish a large number of small, medium, and large-scale businesses to process raw materials. However, a new challenge to economic growth facing Africa has appeared – self-marginalisation. African countries are unable to recognise where their economic strength lies. Consequently, they tend to project Africa's poverty to the rest of the world, instead of its development potential through natural resources.

This self-marginalisation has been in part responsible for the persistent flight of foreign direct investment from Africa, because no investor wants to lock up his financial resources in a poor nation. In fact, African countries have not been able to present viable and attractive bankable projects to international banks and foreign investors. The international financing system generally focuses on South East Asia, Latin America and the Middle East, but rarely includes Africa in its global investment programmes. Similarly, resource packages for Africa from bilateral and multilateral institutions are too small to make a significant impact on macroeconomic growth. The collective strength of Africa lies

in its vast quantities of natural resources, including both mineral and human. Africa's challenge is to evaluate its wealth in order to combine domestic resources and effectively generate and sustain macroeconomic growth. Proposals now entreat African Governments to implement the policy options listed in the next few paragraphs.

First, each country must take a comprehensive inventory of its natural resources, including minerals, to determine how these will support the continent's industrialisation strategy. To that end, there should be an appropriate policy framework linking natural resources, environment and tourism to economic and social progress.

Second, each country must strengthen cooperation among regional institutions to create wider economic space and develop a more effective programme for managing natural resources. Such a programme would address forest use for building and construction, timber, wood fuel as well as how to protect water catchments. A stepping up of reforestation programmes as an African priority would accompany this. If every African citizen were to plant and maintain a minimum of two trees per year over the next five years, Africa would have some seven billion new trees by the end of that period.

Third, each country must establish effective mechanisms to manage climate change and eco-systems more efficiently in order to protect the environment and ecology as well as control the desertification threatening many parts of the continent. For the desired results to be achieved, people at all levels should receive continuing civic education and information on how best to protect the land, natural resources and environment for themselves and future generations.

Fourth, each country must develop early warning systems for industrial pollution as well as declining environmental bio-diversity. Under no circumstances should Africa be used as

a dumping ground for toxic waste and hazardous materials from other continents. With this in mind, African governments should intensify their regional economic cooperation to combat deforestation resulting from pollution and illegal dumping of toxic waste, felt across national frontiers.

Lastly, each country must develop a new policy to deal with the problems of energy shortages, such as wood fuel and charcoal, particularly in rural communities. More importantly, people in rural areas should be provided with inexpensive and affordable electricity or oil fuel for cooking. This should be accompanied by intensive programmes for promoting small-scale, commercial hydropower plants owned by the private sector for rural electrification, in addition to other forms of energy, such as wind, solar, biogas, coal and geothermal energy for industrial and household uses.

The primary lesson here is that Africa has a lot of unrecognised or unutilised potential, and that these vast combined resources can rescue many of Africa's people from pervasive poverty. Therefore, this book emphasizes economic and political integration as the best way to use Africa's collective strength and find the concrete, practical solutions necessary for growth and reducing poverty.

A number of African countries have during the past decade slid to the bottom of the development ladder largely because of failure to assess their economic potentials. Africa should now work on achieving growth and social equity, and creating new income-generating investments through integration. We must remember that each time we export a bale of unprocessed cotton or tobacco, or a ton of tea, paprika, groundnuts, wheat, timber, bauxite, copper, aluminium, zinc or other mineral for processing outside our continent, we are also exporting jobs, and thus creating unemployment in our own countries.

Observers agree that one sure way to combat poverty in Africa is to create more wealth and more employment by turning

these raw materials into finished products —cotton into clothing; tobacco into cigarettes, pipe tobacco and cigarillos; groundnuts and sunflowers into edible oils and cosmetics; and, sugar cane into sugar, sweets, and other confectioneries. However, this would require African countries to open up markets and accept goods from other African countries.

This leads us to conclude that Africa needs to redouble its valiant efforts to achieve rapid macroeconomic growth – the key to alleviating the poverty imprisoning its countries. After reviewing the nature of the development crises in African countries, the resources identified above should give the people hope that they can create new wealth and escape abject poverty. This conclusion challenges Africa to change its focus: to generate growth in order to alleviate and eventually eradicate poverty. Governments need to reorder development policy to kick-start the economic growth process and leap forward in the application of science and technology, right down to the village level.

To achieve this, an appropriate macroeconomic development policy addressing the following issues must be designed. Firstly, Africa needs to reassert that the continent can move towards prosperity, provided it commits to generating growth and development. It must overcome a high degree of complacency in designing programmes for integration as an agent for growth and the generation of domestic resources for economic transformation. It is time to design such a programme, basing it on collective efforts to mobilise intra-African investment, supplemented by external funding from development partners. Secondly, Africa's economic development objectives and priorities also need to be reorganised so that individual countries can mobilise the required resources for growth. Africa must also be able to generate faster economic growth by encouraging domestic and foreign investment that brings in new capital, rather than simply recycling equity through the sale of local stocks and shares.

3

OUR SHARED DREAM

"Every African dreams of the African continent that is vibrant with faster rates of growth, with new employment opportunities and of a continent with increased wealth and prosperity. Every African dreams of good schools, good hospitals, good infrastructure, a good standard of living, good governance, democracy, guaranteed human rights and the rule of law. Every African leader dreams of playing an ever increasing role in the United Nations, the World Bank and the International Monetary Fund. African leaders dream of a united Africa to combat poverty, underdevelopment and marginalisation in global relations. Every African leader also dreams of a continent that has a guaranteed voice in global international trade, monetary and financial relations."

(Bingu Wa Mutharika, Malawi, 2008)

THE ESSENCE OF THE DREAM

The African dream has its origins in the noble ideals that guided the founding fathers of the Organisation of African Unity (OAU) and generations of Pan-Africanists in their determination to promote unity, solidarity, cohesion and co-operation among the peoples of Africa and African states. The challenges confronting the continent and its people include: the need to accelerate the process of industrialisation and social transformation by implementing the treaty establishing the African Economic Community to promote the socio-economic development of Africa. The dream is based on our common vision of a united and strong Africa and by the need to build a strong partnership between governments and all

segments of civil society, particularly women, youth and the private sector, in order to promote and protect human and peoples' rights, consolidate democratic institutions and culture, and ensure good governance and the rule of law.

As Mutharika said in *One Africa One Destiny* (Mutharika, 1995), an important aspect of the African dream lies with Africans' origins. We must recognise that every African nation or society has an origin, an identity, a purpose, and a destiny. Each has an origin based on common heritage, ethnic background and socio-cultural lineage; an identity based on common values, prejudices, norms, beliefs and a common sense of belonging; a purpose because the nation determines its *raison d'être* and aspires to attain higher development goals leading to better living conditions for its people as a whole; and a destiny because it has the right to choose its own path for growth and development and its own future.

A SENSE OF BELONGING

We can now advance the search for an African identity further by stating that, on the road to prosperity, Africa needs to pause and reflect upon its past in order to manage the present. Let us start by pointing out that traditionalism, as the expression of origin and identity, is being recognised as the basis for future change. The truth is that all Africans belong together for better or worse. However, for the most part, the only thing Africans share is poverty. Therefore, emerging African democracies need to fully recognise the four important interrelated conditions listed below.

First, clear policies must be designed to ensure there are visible economic indicators showing material progress, sometimes called industrialisation. This will be evidenced by clear movement towards economic systems, redesigned to provide abundant high-quality goods and services at prices the majority of the people can afford.

Second, there must be new commitment towards political reforms, implying political liberalism and democracy accompanied by stability in institutions of governance. The political leadership must be visibly committed to development and guaranteeing human rights as defined in the *Universal Declaration of Human Rights*. To that end, the opposition must redesign their strategy, and shift their mind-set from simply aiming to topple governments of the day to providing viable alternative strategies for growth.

Third, there must be a cultural and social renaissance reflected by an increased awareness of an identity explaining where Africans came from and where they are going. Such a renaissance should include land reforms and the empowerment of the people, an integral part of this re-awakening. This will, in turn, influence levels of social welfare, such as the availability of medical, sanitation and educational facilities available to the masses, especially in rural areas.

` Finally, there must be spiritual or moral re-armament reflected by an increased respect for human life and dignity. Exploitation of the poor by the rich and politically powerful must be effectively prevented. Similarly, corruption and theft of public funds must be completely stamped out.

These conditions must exist in visible proportions in African civil societies, so that the common people in the villages are able to identify them, before a country can claim to have attained a high level of development. Rules for a new African civil society would be based on a mix between the social, technological, cultural and political development of their economies. This can only come about when people have the scientific and technical capabilities necessary to precisely identify their development potential. People will also need to adopt the most appropriate strategy to achieve their specific solutions and apply effective techniques developed either locally or deliberately adapted from other continents.

African writers generally agree that economic philosophies not rooted in-traditionalism are not readily applicable as a solution to the continued underdevelopment of our continent. This does not explain, however, why African governments have opted for liberalisation as a new African economic philosophy when such a policy does not adequately take into account the real development needs of the people. In the same way, communalism as opposed to communism, as an integral part of social evolution has always been at the heart of African societies. Even in the traditional social order, economic thought ran along the concept that every person had a right to food, shelter, clothing and protection from external attack. It was rooted in the idea that 'what happens to one, happens to all'. This was the way Africans understood life. This is still the foundation of the African dream today and is the basis for a common identity.

We must recognise, however, that a sense of belonging has diminished due to the destruction of the African civil society by colonialism and classical *dogmatism*. For the moment, it is sufficient to say that colonialism was a system by which some industrialised countries in Western Europe dominated and controlled African economic, cultural, social and political development. Simply stated, colonialism asserted that Africans were not capable of ruling themselves and could not therefore develop any economic theories. The tenet of colonialism was to keep Africa's economic, social and political development at a level considered adequate to support the development and industrial needs of Europe.

We must therefore conclude that the destruction of the African civil society was also buttressed by colonial socio-economic doctrines, and later reinforced by classical dogmatism through 'surrogate' economists. This is discussed later in this book. For the moment, suffice it to say that the colonies' development depended upon the whims and wishes of the metropolitan powers. Institutions for development were modelled and designed along the patterns of metropolitan Europe and bore no relevance to the needs of African traditional societies. To execute their policies, local

African economists were carefully selected to spread 'His Master's Voice' in order to protect Euro-American economic philosophies. These economists were invariably civil servants who, even long after independence, faithfully continued to follow in the footsteps of their former colonial masters, regardless of the price their nations had to pay. As a result, colonial administrative machinery remains preserved in some countries, fostering the creation of a minority 'elite' class within a sea of poverty and ignorance. This group of Africans emerged as the first generation of politicians to control political and economic decisions with the support of the donor communities and foreign investors. Ironically, it is this group of African elites who tend to perpetuate the unscrupulous exploitation of Africa.

In terms of production structures and techniques, economic liberalisation under colonialism was achieved by granting exclusive mineral and economic rights to investors from the metropolitan countries. Their production methods, invariably capital-intensive, were characterised by heavy investments in the mining and extractive industries, plantation agriculture and export-oriented commercial activities. These did not help to develop the African middle class that is essential to drive the growth agenda.

We must also emphasise that Africa's shred dream is to address Africa's survival under globalisation. It is important to observe that globalisation as a laissez-faire system in the world market economy clearly distorts international trade and financial relations by advocating that developing nations liberalise their trade and investment regimes while industrialised countries refuse to abide by such an undertaking. All along, the global trade policies of G8 countries were designed to keep African nations under their perpetual control through inter *alia*, the pursuit of macroeconomic stability policies, removal of agricultural subsidies to the poor, removal of protection of infant industries, unrestricted movement of capital, and devaluation of national currencies. The G8 countries also pushed for reductions in the size of government in developing countries, the abolition of

national development planning and the transfer of economic decision-making into the hands of the private sector and NGOs.

In the field of international trade, the marginalisation of Africa started back under the Kennedy Round of multilateral trade negotiations, followed by the Tokyo Round, the Uruguay Round and now the Doha Round. It became clear that the G8 and OECD countries were not willing to follow fair trade negotiations. They demanded liberalism in developing countries, but refused to abide by such decisions. They advocated for no subsidies in developing countries, while maintaining heavy agricultural subsidies in their own. In fact, the common agricultural policy of the European Union and the agricultural policy of the United States of America are essentially subsidy programmes. The North pushes for free movement of capital out of developing countries, but maintains tight control over financial outflows from their own countries.

The African dream is also to share the world's prosperity and change the fact that, for many decades, the G8 countries, with only 25% of the world's population, has share and control over 75% of the world's wealth, while the rest of the developing world, with over 75% of the world's total population, has had only 25%. This is a global system where rich countries exploit and rob poor African countries to become richer and stronger while the latter become poorer and weaker.

The idea of an African Union was spread and actively supported by many African statesmen, such as Came Nkrumah (Ghana), Kudos Kweggyar Aggrey (Ghana), Seretse Khama (Botswana), Gamal Abdel Nasser (Egypt), Abubakar Tafawa Balewa (Nigeria), Léopold Sédar Senghor (Senegal), Ahmed Sékou Touré (Guinea), Félix Houphouët-Boigny (Ivory Coast), Ahmed Ben Bella (Algeria), Jomo Kenyatta (Kenya), Haile Selassie I (Ethiopia) and Muammar al-Qadhafi (Libya) to name only a few. These African stalwarts resolved to work together to liberate the African continent from colonialism and foreign domination.

Following the formation of the Organisation of African Unity in 1963, and the subsequent defeat of colonialism, Africans have aspired to establish a continental organisation encompassing political and economic spheres. It was envisioned that the establishment of Regional Economic Communities (RECs) would facilitate the ultimate creation of an African Economic Community. Thus, the Lagos Plan of Action was adopted in 1980, followed by the signing of the Abuja Treaty in 1991.

Looked at in another sense, Africa does not have the technology and finances to exploit its huge reserves of minerals, water, oil and natural gas. Africa occupies one-fifth of the world's land surface and its continental shelf is filled with the world's largest variety of edible fish species, providing for a large fishing industry. Great potential for developing wind, solar, hydro, coal, biomass and other sources of energy in almost unlimited quantities also exists. In terms of human resources, Africa's potential has hardly been harnessed.

Taking these things into account, the African people draw strength knowing that they, as a distinct group of mankind, have throughout the ages managed to survive and perfect their lifestyle through their own policies and by assimilating other cultures within the framework of a changing world. The emerging consensus is that Africa has enough clout to resist hegemony from the North. Experts agree on the need to develop new perceptions, doctrines and philosophies to govern the African socio-economic development process. They also agree Africa needs a new vision in order to synthesise the traditional, moral, ethical and cultural values and heritages passed down from one generation to the next, and on which vital economic, social and political decisions should be made.

The African shared dream has been refined over the decades and has been enriched through emulations, assimilations and interpretations of cultural ethics and civilisations of other lands to form a sequential pattern of thought that distinguishes Africa from

the rest of the world. Although outside influences and interfacing have substantially influenced African economic thinking, traditional values still remain, by and large, the cornerstone of African civil society.

The path towards African unity started as far back as 1917 when the first Pan-African Conference was held in Manchester, Great Britain. At that time, the overriding desire was to free Africans from the colonial yoke and domination. Following a large numbers of meetings and conferences, the Organisation of African Unity came into being in 1963.This heralded the African Union as we now know it. The African Union Constitutive Act has set very clear and pragmatic objectives and principles to which all the Member States subscribe. These are: to achieve greater unity and solidarity between African countries and the peoples of Africa; defend the sovereignty, territorial integrity and independence of its Member States; accelerate the political and socio-economic integration of the continent; promote and defend African common positions on issues of interest to the continent and its peoples; encourage international co-operation, taking due account of the Charter of the United Nations and the Universal Declaration of Human Rights; promote peace, security and stability on the continent; promote democratic principles and institutions, popular participation and good governance; promote and protect human and peoples' rights in accordance with the African Charter on Human and Peoples Rights and other relevant human rights instruments; and establish the necessary conditions which enable the continent to play its rightful role in the global economy and international negotiations.

African leaders also agreed to promote sustainable development at the economic, social and cultural levels as well as the integration of African economies; promote co-operation in all fields of human activity to raise the living standard of African peoples; coordinate and harmonise the policies between the existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union; advance the development of the continent by promoting research in all fields,

particularly in science and technology; and work with relevant international partners on the eradication of preventable diseases and the promotion of good health on the continent.

The Member States of the Union are committed to working together in accordance with the following principles: respect of sovereign equality and interdependence among Member States of the Union; respect of borders existing on achievement of independence; participation of the African peoples in the activities of the Union; establishment of a common defence policy for the African continent; peaceful resolution of conflicts among Member States of the Union through such appropriate means as may be decided upon by the Assembly; prohibition of the use of force or threat to use force among Member States of the Union; non-interference by any Member State in the internal affairs of another; the right of the Union to intervene in a Member State pursuant to a decision of the Assembly in respect of grave circumstances, namely: war crimes, genocide and crimes against humanity; peaceful co-existence of Member States and the right to request intervention from the Union in order to restore peace and security; promotion of self-reliance within the framework of the Union; promotion of gender equality; respect for democratic principles, human rights, the rule of law and good governance; promotion of social justice to ensure balanced economic development; respect for the sanctity of human life, condemnation and rejection of impunity and political assassination, acts of terrorism and subversive activities; and, condemnation and rejection of unconstitutional changes of governments.

Within this broad understanding the African Union, through its Charter, also seeks 'to coordinate and harmonise the policies between the existing and future Regional Economic Communities, for the gradual attainment of the objectives of the Union'. The target was to establish an African Economic Community by the year 2025. The central theme of African unity is to strengthen regional economic integration in Africa. This is based on recognition that now that Africa has defeated political colonialism and every inch of the

African soil has been liberated, the next step is to defeat economic colonialism of the continent. Africans need to understand that this is even harder because, under globalisation, neo-colonialism has become more subtle and deep-rooted through economic and financial domination of the continent. Through the control of African resources by multinational corporations, supported by the governments of the G8 countries, Africa has been forced into the global village, its people generally spectators that cannot control their own destiny.

This is where it has become imperative for Africa to find an appropriate substance to the dream through African unity. This desire for a new African destiny was amplified by Ahmed Sékou Touré of Guinea who, in addressing the OAU Conference in 1963, said:

> "African unity has its convinced adherents and its determined adversaries. While constituting a decisive means of enabling the African peoples and states to speed up the movement of African emancipation, it forms at the same time a powerful anti-imperialist and anti-colonialist force, an instrument of combat for our peoples against the causes of their poverty and of their economic and social backwardness…To conclude that African unity is impossible to achieve is tantamount to justifying the unjust and humiliating convictions of Africa's enemies who, throughout history, have tried to convince humanity that there are superior and inferior peoples."
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> **(The Life of Africa is Endless, 1963)**

It was in this context that the Constitutive Act of the African Union provides for the establishment of continental and regional mechanisms to promote a common destiny. The first task is to develop Africa's collective capacity in economic governance. For the past three or four decades, many very competent indigenous consultancies have emerged able to take on the challenge of African economic transformation. The problem is that whenever Africa needs expertise in a given field, governments have often turned away their people and engaged experts from the North who have little or no experience with African social and economic conditions. African leaders must now agree that, if Africa is to move

forward, it's imperative to change this mind-set and use regional communities to provide us such consultancies. In so doing, Africa will develop and strengthen the spirit of co-operation and unity.

WHITHER AFRICA?

The dream of Africa as a developed continent, discussed in this chapter, poses a serious challenge to African political thought, especially when it comes to agreeing on and believing in a common vision for the future. Of even greater importance is the search for new directions in Africa. A partial answer is to create a united front by defining a common identity. An identity provides the means by which a person, tribe, society, nation, country or continent is recognised and described. It is how an object is recognised as having characteristics distinct and separate from other objects. True, Africa is not a homogeneous entity, but Africans do share common origins. Therefore, the African identity is how African people show and recognise who they are, how their cultural and traditional beliefs distinguish them from other people. It is also how they show or prove to other nations across the globe that Africa does exist, requires recognition, and has an important role to play in the shaping of human and world relations.

What does this African identity mean in reality? At the time of independence, many political leaders in Africa had a great vision – they would together control their own economies and destiny. After over five decades of political independence, the issue of an African identity has become increasingly important in Africa's interaction with other nations. It has also become more elusive as globalisation and the struggle of small nation-states for their mere survival has become more complex. Political reforms, multi-party democracy and good governance, essentially motivated from the outside, have now been firmly imposed by donors as the main prerequisites for assistance. Empirical evidence clearly suggests that two primary characteristics of the economics of underdevelopment is the controlling of development policy primarily by those outside the country and dependency.

The main factor is that African governments continue to face formidable difficulties in sustaining growth or reversing the downturn in economic growth and development in the wake of globalisation. It was in this context that Kwame Nkrumah of Ghana, addressing the OAU conference in May 1963, said:

> "No sporadic act or pious resolution can solve our present problems. Nothing will be of avail, except the united act of a united Africa… If we do not approach the problems in Africa with a common front and a common purpose, we shall be haggling and wrangling among ourselves until we are colonised again and become the tools of a far greater colonisation than we have suffered hitherto… We all want a united Africa, united not only in our concept of what unity connotes, but united in our common desire to move forward together in dealing with all the problems that can best be solved only on a continental basis."

Nkrumah underscored that African governments working individually find it increasingly difficult to improve their underdeveloped infrastructures, especially transport, communications and social services and increase the domestic supply of consumer goods, medicines, services and food as well as provide raw materials for agricultural processing industries. We also agree with William Tubman of Liberia, who addressing the OAU summit in 1963, said:

> "Never before has unity of action been more desirable and urgent; never before have independent nations faced such a challenging and splendid opportunity for concerted action; never before have our problems been graver and our needs more crucial... We earnestly hope that at such an historic and significant Conference, the general and not the personal or purely national interest will influence our thinking and action and thereby dispassionately and selflessly in debates designed to achieve the greatest good for Africa. It is towards this end that we have assembled here; it is for this purpose that we have worked, planned and prepared for the Conference. Certainly... this is one to which African leaders imbued with an avid desire for unity have come to find a way."

What Tubman meant is that individualism has made it difficult for Africa to develop industry, especially in the processing of

natural resources, agriculture, livestock and forestry products. African countries have also found it difficult to improve transport, energy, power, and communications infrastructure, especially those apparatus that support productivity. The worst part has been the failure to directly link development needs with the attainment of higher standards of living – improved public health, water, sanitation and education. The problem confronting African economic managers, therefore, is how to combine these parameters in the transformation process to result in a faster rate of economic growth.

A philosophical debate in response to these issues has raged since the colonial era: How should the African people transition from the obliteration, marginalisation and oblivion orchestrated by colonial powers to a group of nations genuinely recognised by the rest of the world and able to influence major events in the world? There is a clear need for an African direction in shaping events affecting the future of Africa. All one has to do is look at the structure of the United Nations and how the industrialised nations that once colonised Africa have marginalised its role in that global body.

The basic questions for an African agenda are the following. Given that democracy and political and economic governance have been recognised in Africa's past, should Africans not insist on determining their own development path? Should the G8 and other donor communities continue to decide what is good for Africa simply because they provide funding? Is there a way for African leaders to use their collective strength through their natural resources to design Africa's own standards for implementing, monitoring and evaluating democracy, good governance and economic transformation?

Some critics have responded to these questions by arguing that development policies externally induced by developed countries in their own self-interest are the main reason Africa's transformation and recovery has been held back. Critics further

argue that some donor communities do not want to lose their grip on Africa and constantly devise ways of reducing financial resources to Africa to ensure perpetual dependency. This claim is supported by the pattern of foreign aid that past colonial links continue to control. Critics also point to vast evidence showing that, until recently, the British, French, Americans, Germans, Dutch and Belgians tend to focus their aid packages on their former colonial territories or countries considered 'strategically important'. They further argue that the purpose of the New International Economic Order of the late 1960s was to ensure that any developing nation not falling into line risked being black-listed for foreign aid packages. Later, emphasis was placed on fighting communism. The West branded African countries embracing socialism, Marxism or communism 'hostile' nations and denied them financial and technical assistance.

In the 1980s, through the Bretton Woods Institutions, a new branch of political and economic control was devised called 'structural adjustment programmes' (SAPs). Countries that adopted SAPs were promised more concessional terms and generous debt relief programmes from the then Group of Seven. It was hoped this would separate the 'sheep' from the 'wolves'. Of course, the promised aid only trickled in, serving largely as a 'life support mechanism' and not a tool to develop Africa. In recent years, policy reforms have centred on 'macroeconomic stability' as a top priority.

However, experience has shown that as African nations grudgingly submitted to SAPs and policy reforms, industrialised countries found themselves unable to fulfil their pledges for an increased flow of resources to Africa. Instead, they progressively demanded 'political pluralism', 'multi-party democracy', 'human rights' and 'rule of law' as conditions for development assistance to Africa. Now a new goal post, the Economic Partnership Agreements (EPAs), is forced on Africa as a condition for an increased flow of resources to Africa. In other words, the North is always changing the goal posts.

It is therefore evident that the economic history of Africa is one of nations struggling to develop an effective strategy to ensure sustained, equitable growth. The policies implemented in Africa over the past five decades have not resulted in visible growth or development for most countries in Africa. The political objectives of the North have always been there. Consequently, African countries that prospered in the 1960s and 1970s had steadily declined according to socio-economic development indicators. The number of people living in abject poverty has steadily increased since political independence.

DEVELOPMENT FOR WHOM?

The great challenge of the African dream is the lack of visible and sustainable growth and development in Africa is perhaps the single greatest cause of Africa's vulnerability to external manipulation and machination. Most observers ask: Why does Africa continue to be underdeveloped? Why do political and democratic reforms fail to rescue the majority of people from poverty? Is it the lack of political will and commitment to development that blocks growth? Are the activities of donor communities and multilateral financial institutions responsible for slowing growth in Africa or does the fault lie in the packaging of foreign direct investment? Are human rights abuses directly responsible for the lack of visible and sustainable growth? These and many other questions continue to be asked as part of the process of African political reform, democratic transition and liberalisation.

The fact that recovery and transformation in Africa have not taken root has given rise to these questions. A great deal of policy discussion within Africa as well as between Africa and the OECD will have to take place before this can be achieved. First, the lack of visible and sustainable growth for all people has rekindled the old question: Development for whom? Those in political and economic power adamantly refuse to equitably

share the development and prosperity of the nation. The few individuals who have grabbed political power, either through the barrel of a gun or elections, have become seemingly richer, while the masses became poorer. Second, the economic process has not been decentralised to ensure participatory democracy at the village level. This is aggravated by rising consolidation of power by individuals and autocratic rule, prevalent in some African countries even where democracy is promoted.

Evidence also suggests that democracy comes in many shades, depending on the motives of those in power. This confusion has been largely brought about by the donors who finance these processes. Therefore, it must be reiterated that accountability demands the setting up of clearly defined standards of governance that are understood and accepted by all. However, no agreed-upon standards exist by which African societies can judge their leadership or donor performance. Paradoxically, the same donor communities who loudly advocate democracy often support oppressive and repugnant 'dictatorships', provided these leaders grant them mineral concessions. A review of G8 policies in Africa throws more light on this.

The consequences of this control are reflected in the economic slide-rule showing a number of African countries sliding backwards. In other words, many countries engaged in the development process in the 1970s are now classified as least developed countries (LDCs). The new LDC criteria adopted by the United Nations place the threshold for LDC classification at a per capita income of USD700–800. According to the United Nations, by 2010, there were 49 LDCs in the world and of these 33 were in Africa. These are the world's poorest and most vulnerable nations with Gross Domestic Product (GDP) average growth rates of less than 2.5%.

Two other broader composite indexes measure economic vulnerability and human resources development. The first is the 'economic diversification index', which comprises the share of

manufacturing in GDP, per capita electricity consumption, share of the work force employed in industry and the degree of dependency on primary commodity export earnings. The second is the 'augmented physical quality of life index', which takes into account maternal, infant and child mortality rate, calorie intake and a percentage of minimum requirements, combined enrolment in primary and secondary schools and the adult literacy rate.

There is general recognition among African statesmen, writers and scholars that these economic indicators do not tell the whole story. Beneath the surface splendour, beauty and magnificence of African culture and geography lies the agony of widespread abject poverty, the elimination of which continues to elude even the most imaginative and patriotic philosophers and thinkers. The main challenge is to come up with a formula that would allow African countries to break with the colonial past and to find a truly African identity and destiny.

In seeking new directions for Africa, one must remember that the development concepts of economic liberalisation and democratisation were severely tested in recent years as Africa and the world watched with horror the worst famine in the history of humankind, a famine affecting more than 150 million people. Partly as a result of this, as many as 85% of the rural African population live in abject poverty or bare subsistence. They cannot feed themselves or even sustain their livelihood, largely because they're left out of the development equation. Furthermore, between 2004 and 2005 Southern Africa and parts of Eastern and Western Africa were hit by the worst drought in living memory. Millions of people faced starvation and malnutrition. Some countries are still unable to recover from this catastrophe. Even countries once considered the 'granary' of Southern Africa could not cope with food security.

What has gone wrong? For whom is development sought? Is there something intrinsically holding the African development process back? Why are economic growth rates generally declining in Africa when other parts of the developing world register

increases in their growth rates? Why is Africa, with its vast mineral wealth and other natural resources, unable to attain higher growth rates or even feed its people?

It is frightening to note that both normative and historical scenarios developed by the United Nations Economic Commission for Africa show that, over the next 30 years, Africa will continue to be the poorest continent in the world. The gap in living standards will not only widen between Africa and developed countries, but also between Africa and other developing countries of South East Asia and Latin America. This is food for thought.

Our research shows that solutions to the above vary, but a growing body of African thought now concurs that the economic and social crises in Africa can be dealt with in part by adopting realistic economic ideologies and development choices that are in consonance with the needs of the poor. A concomitant policy is to persuade industrialised countries to see Africa developed, because this would make Africa a better trading partner for them. This should be buttressed by a real change in the development paradigm whereby donor countries give Africa not only 'humanitarian' aid but real development aid that would ensure sustainable industrial growth and development. Similarly, donors should be willing to give Africa not only 'food aid' but support African countries in the acquisition of agricultural machinery and technology or even storage facilities so they may have food security.

There is, however, some hope on the horizon. Over the last two centuries, Africa has passed through a silent socio-economic, cultural and political transformation. Fierce tribal wars and battles have been fought, won or lost. The slave trade claimed its toll and was abolished. The 'Scramble for Africa' by European powers consolidated colonialism in Africa, but that too has disappeared from the continent. The continent is now ready for a new dream.

Moreover, in the last century, the League of Nations followed by

the United Nations was created asserting the right of all peoples to have access to a decent standard of living and to determine their own development path, identity, future and destiny. The Organisation of African Unity, and now the African Union, was also established to fulfil the dream of African nations enshrined in the *Charter of the United Nations* and the *Universal Declaration of Human Rights.* These developments have greatly influenced the design and evolution of African thought and helped sensitise the world to the plight of Africa's poor.

We must recognise that the new African civil society has evolved out of several interconnected ideologies – traditionalism, Pan-Africanism, colonialism, neo-colonialism, classical and neo-classical dogmatism. The combination of these ideologies with a predominantly traditional society created a unique way of thinking that gave rise to a new paradigm seeking to address the current economic and social malaise in many African countries. However, volumes upon volumes of economic and social literature on African development agree that the lack of common programmes has prevented African countries from designing a successful policy that would alleviate poverty for the majority of their people. This issue will be addressed in a subsequent chapter.

African economic literature also maintains that the colonial system of development was motivated by the uncompromising exploitation of natural resources and the labour force. Under such a system, liberalisation meant the visible transfer of economic power into the hands of a few corporate giants and unequal distribution mechanisms resulting in an economic development never intended to free Africans from continued poverty.

Later in this book, we demonstrate that, as a result of persistent colonial doctrines, Africa has been marginalised in global politics, economic development and trade. Africa has also been marginalised in global resource allocation and investment as well as in the development of information and communications technology. In the global distribution of the world's wealth, where rich countries become richer at the expense of poorer countries,

the position of Africa's poor has become increasingly intolerable. The sad part of this story is that Africa has been virtually left out of the global development equation. Furthermore, increasing divergence between production, distribution and demand have left many African countries with structures incapable of eliminating mass poverty. Consequently, genuine fear exists that the skewed international relationships under globalisation will continue to perpetuate abject poverty in Africa.

To further understand how African economies have been destroyed, we should note the economic system's structure, which shows the development of distinct economic groupings based on identification with political and economic ideologies. These are:

- The countries of the Organisation for Economic Co-operation and Development (OECD) led by the 'Group of Eight' which control the lion's share of global resources and wealth;

- The newly industrialised countries, mainly in South East Asia and Latin America;

- The former Socialist countries of Eastern Europe, some of which have aligned themselves with the European Union;

- The People's Republic of China, that has emerged as a world giant in global political and economic relations; and,

- The developing countries derogatorily called Third World countries, the majority of which are found in Africa.

THE HORSE AND THE RIDER

The above analysis leads us to the African perception of the North-South arrangement that has never been an association among equals. The system was designed to preserve the

hegemony and supremacy of the North over the South and to maintain perpetual control over Africa's resources. As such, North-South relations have not resulted in mutually beneficial forms of development, and thus cannot enhance the economic and social development of African countries. This is why Kenneth Kaunda compared the North-South relationship to that of a 'horse and a rider' where Africa is the horse. This is supported by the fact that the North is not ready to allow Africa to take full advantage of her resource potential or negotiate a relationship that would truly lead to economic recovery, self-sustained growth and the elimination of mass poverty.

Africans are all too aware that the main purpose of Africa's association with Europe is to ensure the supply of African minerals, meat and tropical products to that continent. Europeans still provide financial and technical assistance to African countries with the continued objective of generating markets for their finished products. It is no secret that Europe requires a constant supply of raw materials and minerals to sustain its industrial development. More specifically, the recent world energy crisis has demonstrated this beyond a doubt. For instance, G8 countries did not provide financial support to African countries to offset rising oil prices. This non-action threw many African economies off-balance. Consequently, many Africans do not believe the ACP-EU association or any other form of North-South relationship is based on mutually beneficial principles that adequately consider African interests.

The challenge now facing Africa is to agree on a common agenda to deal with the problems of underdevelopment. This would entail a new African development agenda, inevitably holistic and covering all economic sectors and sub-sectors. Its primary objective would be to give Africa its own voice, heard throughout the world. Therefore, all programmes, policies and strategies expressed in this book are based on the assumption that Africa will form an integral part of the global economy. The policy framework would be to increase the unrestricted participation of domestic private entrepreneurs in investment decisions that affect them.

A consensus is emerging within the framework of new democracies that appropriate interfacing must exist among all interest groups in the civil society, including inter-governmental organisations and religious groups. The government's role, through the creation of an appropriate political, social and investment climate, must be seen as that of facilitator in the production process. New political cultures, as well as governance and business cultures, must be created to foster motivation and productive talents so the civil society may propel African economies to higher levels of macroeconomic growth and prosperity.

At the African level, the agenda might first include political and economic reforms establishing a democratic system of governance, multi-party politics, the rule of law, and a guarantee of peace, security and stability for all peoples would be enacted. Reforms should be accompanied by the democratisation of development and social processes so that all citizens in the civil society have the right to voice their opinions and be heard. The political leadership, both in the ruling and opposition parties, should exercise tolerance, patience and understanding towards the new aspirations of the people.

Second, there needs to be effective economic diversification policies and programmes must be adopted adjusting production structures and institutions in order to accelerate the pace of economic recovery leading to sustainable growth and development. Economic reforms must also be accompanied by appropriate changes in the political and business cultures across countries, to allow cross-section participation of the private sector in the development process.

Third, governments must work towards the decentralisation of productive structures to make it easier for both domestic and foreign firms to operate within the national economies. An environment favourable to industrial and manufacturing ventures should be created so that home-grown entrepreneurs, especially small and medium-size enterprises, are more competitive at home

and abroad. In most countries, new industries would focus on increased production, processing and manufacturing of agricultural primary products and minerals for export. The conceptualisation, design and implementation of such structures would now have as their goal the creation of productive forces to eliminate mass poverty and ensure higher levels of social welfare as well as the right of each citizen to proper food, shelter and clothing.

Fourth, African government must acquire effective control over economic liberalisation and privatisation by deliberately encouraging local private participation in production, marketing and distribution. This would be desirable, as would the adaptation of science and technology to suit local conditions. This would then be reinforced by implementing special programmes to promote foreign direct investment.

In pursuing the above measures, it is important to recognise that the democratisation process cannot be achieved by using neo-classical doctrines, since colonial development was based on the following facts. First, the North wanted to maintain its former colonies and territories as perpetual producers and suppliers of agricultural raw materials and minerals. This was to support the expanded industrial activity in metropolitan countries generated by the Industrial Revolution. Second, the North still controls the processing of African primary commodities, except when reducing the weight or bulk of the raw materials. Therefore, the threat of neo-colonialism, the loss of national sovereignty due to aid conditions and the alienation of Africa's people as a result of the development process should prompt African countries to develop collective self-reliance through economic co-operation. As a response to neo-colonialism, African countries have developed Pan-Africanism and regionalism, which now form the basis for a common identity, common belonging, common destiny and a new common platform for appropriately responding to globalisation.

THE RATIONALE OF REGIONALISM

Let us now turn to regionalism as a policy option. Now that African countries have resolved to promote African unity, the next question is to determine what form it will take. Although we sing the old adage 'united we stand divided we fall', the actual experience is different. Through our individual national policies, we actually promote disunity. However, we need to recognise that African regionalism is both a concept and a movement. It started with the Diaspora when African philosophers organised opposition to colonialism and demanded political freedom. This was an attempt to develop a policy approach to African economic development by introducing a common political platform that would guarantee economic rights. However, as a result of different degrees of indoctrination, various groups emerged, such as the Brazzaville Group, the Casablanca Powers and the MonroviaGroup. These were later consolidated into the OAU.

Although regionalism and collective self-reliance are not fully tried as a solution to the problem of Africa's ailing economies, these have evolved as the cornerstone of African economic thought. There is general consensus among African writers, as well as writers on Africa, that although economic co-operation or integration is not a cure-all for economic development, it offers one of the most plausible solutions for attaining a faster rate of growth. Ideal collective self-reliance foresees a situation in which countries strive to develop together, primarily from their combined resources, technical and managerial capabilities. In such a situation, external resources would be secondary and not the determining factor in initiating development. Economic co-operation would reinforce collective self-reliance, and therefore result in less dependence on external support.

Thus, regional economic co-operation advances traditionalism as a cornerstone of the African civil society. Virtually every declaration made by any group of African countries, from the early days of Pan-Africanism to the present, centres on the

establishment of economic co-operation groups as a means of strengthening Africa's bargaining position with the rest of the world. This philosophy stresses the need for joint action for the development of Africa's natural and human resources through the adoption of common policies. Ideologically speaking, however, African regional economic co-operation is a fairly new idea in African development. Regionalism became popular only after 1960, when a large number of African countries achieved political independence, and is still evolving.

African countries spelled out their development options in the Lagos Plan of Action and the Final Act of Lagos, adopted by the Heads of State and Governments of the OAU in 1980. The choice of self-reliance as an alternative approach to development became the rule of thumb in policy formulation, and stresses that economic co-operation should govern African thought and policies for social-economic development. However, no clear explanation exists regarding how this applies to individual economies or how joint development projects are to be implemented. What is clear is that this African consensus stresses the final goal of Pan-Africanism and regionalism: the creation of institutions, such as Free Trade Areas, Common Markets, and Economic Communities. This consensus was formalised when the treaty establishing the African Economic Community was signed in Abuja, Nigeria in June 1991. The treaty calls for a different approach to institutional structures in order to reduce the number of non-viable economic entities.

In selecting new options, the impact of capitalism, liberalism and materialism on the African socio-economic process has always provoked considerable debate. A survey of the socio-economic and political literature by African writers indicates varying thoughts on issues such as capitalism and liberalism. The accumulation and utilisation of resources for development, permanent sovereignty over natural resources, the acquisition or transfer of technology for industry, and collective self-reliance are generally considered the end result of capitalism and materialism. These ideas have largely

been reflected in African national development plans and some are supported by international donor communities as measures for transforming economic structures from poverty to prosperity.

New regional options might include identifying industries capable of meeting the demand for finished products by a large group of countries; employment generation and contribution of the development process; creating a larger and more viable market structure at the regional level to absorb products from regional industries by merging sub-regional common markets and preferential trading areas; co-operation in developing skills in Africa to sustain regional industries and manufacturing, including the joint exploitation of minerals and other resources, hydroelectric, petroleum and other forms of energy for industrial development; creating common financial and banking institutions and enterprises to encourage cross-border investment especially designed to finance the exploitation of minerals and extractive industries; and creating appropriate private capacities to improve the production, marketing and distribution of goods produced within any given integrated area.

We can draw the conclusion that African regional integration also faces serious challenges from the North-South Dialogue. This is because the dialogue is essentially a one-way process and fails to recognise Africa's legitimate right to determine its own development agenda. As indicated earlier, donor countries from the North insist that their brand of liberalisation, democratisation and good governance be tied to their support to developing countries, largely through the Bretton Woods Institutions. Although the interdependence of eco-systems is generally recognised in international relations, the present world economic order shows vertically integrated structures in the North based on technological diffusion, economic coherence or ideology and socio-orientation. In other words, industrialised countries form groups and tend to co-operate more closely with those that share the same level of development or political ideology than with the rest of the world. For example, Europeans and North Americans have regrouped

into stronger economic and trading blocs, such as the OECD. This has seriously distorted the global structures of production and distribution of wealth, capital and the consumption of goods and services, in which the developing nations of Africa find themselves in a less favourable position than the rest of the world.

As we delve further into this issue, we see that traditionalism, neo-colonialism, capitalism, socialism and regionalism lead to a number of possible choices and alternatives for co-operation. For a start, if economic liberalism and democracy are to reinforce regional integration, these will have to be fashioned out of the diffusion of these experiences. This would essentially depend on a willingness to merge people's cultural backgrounds with leadership's commitment to joint good governance and popular participation in development. This treatise discusses several issues critical to Africa's journey towards a new common destiny.

First, in order to move toward a better balance between supply and demand, African governments need to work together to achieve and sustain faster rates of economic growth, capital accumulation and industrialisation while favouring low-income groups living in urban slums or rural areas. Such a policy would call for fundamental changes in national development philosophy, and strategies that must be consolidated.

Second, cultural beliefs and moral convictions can become ineffective instruments for eliminating mass poverty and inequities in income distribution between rich and the poor countries, to the extent that some customs hinder the introduction of modern ways of doing things, as evidenced in cultures where the education of women is discouraged. On the other hand, traditional values can be used to resolve class conflicts within each community and among African nations. These can also be used to deal with disparities among different African countries due to the availability of natural resources, financing and technology. Experience shows that common development institutions would encourage employment opportunities in traditional communities with high

levels of surplus labour by using local, resource-based industries and self-employment. The key is to balance employment objectives with increased efficiency in production and quality control across countries.

Third, the social framework must be redesigned within the broader architecture of economic liberalisation, political reforms and decentralisation in Regional Economic Communities. Priorities should be reordered based on the cross-cultural concerns of the people to make sure they own the process and truly identify with the economic and social programmes of the ruling party. In other words, people should feel a sense of purpose and belonging. Although modern science and technology as well as advances in communication technology constantly assault the rules of African social life, we cannot underestimate the important role ordinary people play in shaping modern African philosophies, choices and options.

4

THE STRUGGLE FOR POWER

"The rubric for global development paradigm is clearly governed by who has military might or power over research in science and technology or power over world finance and investment or power over information and communication technology. Those who control these elements control the world. Despite the existence of the Security Council of the United Nations, no acceptable global power-sharing system has been put in place to assure the African people that they are part of the global village. Instead, through the use of such power, Africa has and continues to be marginalised in all world forums because we have no control over power."

(Bingu Wa Mutharika)

WHAT IS POWER?

Hitherto we have shown that Africa has no power to determine its own growth policy or to control its destiny. The African dream seeks to change this. In this chapter, we shall discuss the African dream within the context of how efforts towards poverty reduction are influenced by power sharing structures. We shall also discuss how power is shared between industrialised and African countries, the rich and the poor and between ruling and opposition political parties. To do so, we have divided the world into the powerful and the powerless in order to show the interplay of forces between the rich and the poor. How power shifts take place is not the subject of this book. However, we need to recognise that, throughout human history, those who wield power also control the destiny of others. Therefore, the new rubric for the African dream is clearly governed by those who have

military might, power over research in science and technology, power over world finance and investment, and power over information and communications technology. Even at the African level, major decisions are made by those who wield economic power.

Despite the existence of the United Nations Security Council, no acceptable global power-sharing system is in place assuring the inclusion of the African people in the global village. Instead, through the use of power, Africa continues to be marginalised in all world forums. This is what led Kwame Nkrumah to say: 'Every form of political power, whether parliamentary multi-party, one-party or open military dictatorship, reflects the interest of a certain class or classes of people in society. In socialist states, the government represents workers and peasants. In capitalist states, the government represents the exploiting class. The State then (represents) the exploitation of one class over other classes.'*(Class Struggle in Africa, 1970):*

The challenges to the African dream for prosperity centre on the fact that globalisation always divides the world into the powerful and the powerless. As part of the global village, Africa's lack of global power-sharing shapes its structures for growth at the continental and national levels. However, in this analysis, we shall concentrate on power at the African and international levels.

What is power? Power is the most controversial and least understood aspect of human relations. Therefore, we shall define 'power' as the ability of an individual or group of individuals, a country or other entity, to control other people or countries through political and/or economic ownership or military might for a given period of time. Such power may be acquired through military force or inherited – as in the case of monarchs, dynasties, and traditional chiefs – or vested in an individual or group of individuals through a constitution or other form of legislation.

The possession and control of power is not static; it changes over time. Throughout history, constant struggles have taken

place between people, rulers and countries to exercise control over given pieces of land through war, conquest and purchase. Other struggles have also occurred when economic wealth and political might have been wielded over others, such as in the case of the colonial powers over their territories and colonies or the 'Superpowers', now the Group of Eight, over the developing world. Let's take a look at several forms of power in order to understand how the powerful and powerless interact within a global sphere of influence.

Political Power

Political power can be described as the control of political governing institutions, the economy and public entities, such as the civil service, police, army and social institutions, by a political party having the majority of seats in the national assembly. In a democracy, power is derived from the people and exercised by the president on behalf of the State for a given period of time as specified in a national constitution or other legislative instruments.

Over the past five decades, power in Africa has been modified through important democratic reforms. Multi-party systems of government have been adopted, becoming the mainstay of the political process. Sovereign states are now modelled on the principles of equality, human dignity, human rights and basic freedoms, non-racism, and the rule of law.

A major concern, however, is that Africa's democratic reforms have not led to a genuine sharing of political power within the continent's civil societies. Not sharing power has had a profound impact on multi-party democracy. In order for the latter to succeed, a new way to include the poor, especially people in the rural and peri-urban areas, must be found. Civil societies must also understand and accept democratic reforms. These, in turn, must also be constantly improved and approved by the people through social reform. Firm guarantees must also be in place so that ordinary people benefit from development and have the right to be what they want to be.

The constitutions of many countries allow multiple political parties to exist while guaranteeing the right of every citizen to participate in the governing of the country. For example, Mozambique's constitution stipulates that exercising state power is an expression of the people's will. It declares, 'The State that we created has made it possible for the Mozambican people to strengthen democracy and, for the first time in its history, to exercise political power and to reorganise and direct social and economic affairs at a national level.' In other words, Mozambique's national constitution implies that ruling and opposition political parties share power.

Military Power

Military power is demonstrated when one country defeats another and establishes control over its territory. Military power may also come about when an individual officer in the armed forces, with the support of his friends, or a foreign power, usurps power through the barrel of a gun instead of gaining it through elections.

Military power can also come about when one superpower or a group of superpowers flex their collective military muscle to deter other nations from adopting national policies contrary to pre-set ideology. In the 1960s, many African leaders came to power by overthrowing legitimate governments in what was commonly known as a *coup d'état* or military takeover, resulting in the loss of millions of lives throughout Africa. Such military takeovers generally caused mixed reactions, and numerous problems arose in conceptualizing, defining, interpreting and implementing democratic reforms within such a context. Some feel that a thirst for power lay behind these *coups d'état*, since no convincing proof exists regarding the mismanagement of government, warranting such action.

Another possible reason for the coups is that those in power believed in the idea of 'the winner takes all' – the political party that wins the election monopolizes the political system and offers no way for others to participate in the development process.

Thus, military takeovers were used to justify the transfer of power from one group of people, the politicians, to another group of people, the armed forces.

Economic Power

Economic and financial power occurs when an individual or country wields tremendous control over economic, financial and investment decisions within a system or framework. An individual, or group of individuals, can create monopolies or cartels in order to exploit others. Similarly, an individual can be legally in charge of an organisation, company or institution where such power is used for the good of that organisation. In trade, purchasing power implies the ability of individuals to translate demand into the actual purchase of a commodity or service.

For example, the 'Superpowers', namely the G8, use huge transnational corporations to influence or manipulate economic and trade decisions globally. Recent trends in globalisation have uncovered the truth regarding industrialised countries' economic power over poorer nations. In fact, through the exercise of their powers, the industrialised countries control virtually all aspects of economic life in Africa, which has led to further marginalisation of the African people in global trade as well as monetary and financial relations. In recent years, strong apprehension has emerged among poorer African nations that further disparities have due to industrialised and developing countries not sharing economic, financial and commercial power. Both developing and developed countries agree that a satisfactory international mechanism is needed for sharing economic power and policing the implementation of trade and economic agreements affecting poor countries. We shall discuss this in greater detail in a later chapter.

Information Power

There is an old saying, 'To know what to do and how to do it is a good thing. But to know when to do it is even better.' This leads us to another dimension of wielding power to control and dominate – through information and communication technology. When an individual,

country or group of countries acquires knowledge in computer and information technology, the latter can be used to dominate the world, as in the case of Microsoft, Apple, IBM and similar corporations. Over the past four decades, history has indeed demonstrated that 'information is power', and those who create and control information also control the world. Similarly, the G8, along with the rest of the OECD, have used advanced science and technology to find out the nature and amount of the world's gold, uranium, diamonds, precious minerals, oil, natural gas and other natural resources, deciding when and how to exploit such resources to their advantage.

Social Power

Social power occurs when an individual uses immense political and economic power or culture and traditions to command high respect, honour and prestige in a given society. This individual may also enjoy moral power through other forms of controls. Social power has emerged since political independence in almost all countries in Africa.

Religious Power

Closely linked to social power is religious power, exercised by spiritual leaders, such as His Holiness the Pope, the Archbishop of Canterbury, the Ayatollah, the Dalai Lama, gurus, monks and many others. These religious leaders influence people to follow certain patterns of thought or philosophy. They are seen to fulfil the work entrusted to them by God as guardians of moral principles. However, in some cases, exercising religious power can result in contradictions between religion, human rights and politics.

For instance, if those entrusted with religious power use it to dominate or scare the faithful, then the value of that power to society and the world is reduced. Thus, alongside the spiritual power of goodness, there also exists the power of darkness, commonly known as 'Satanism'. When darkness prevails, the devil possesses the mind of an individual, causing him to perform hideous acts, inflict fear or even order people to eliminate those who do not subscribe to a given ideology.

GLOBAL POWER STRUCTURES

The forms of power described above portray a system lacking in guarantees for the unconditional and fundamental freedoms of association, choice, religion, expression, thought, conscience and opinion which forms the basis for interactions between leadership and the people. If any of these freedoms is circumscribed, either by design or default, then governance has failed. For that reason, African civil society has increasingly insisted on systems of political, social and economic governance that are non-discriminatory, non-repressive, transparent, and accountable to the people. This implies that, for any form of democracy to succeed, it is imperative that government be popularly supported. Maintaining the people's trust in political institutions also depends on the form powers take and how they are shared.

In post-independence Africa, the power struggle acquired new dimensions when some leaders, and a few of their cohorts, sought to exercise permanent control over their country's political, economic, social and cultural development as a means of domination. Many African countries, especially in the 1960s and 1970s, have variously been described as dictatorships, police states, repressive regimes and many other things. In this book, we shall devote some time taking a look at how the people of Africa see themselves through the mirror of unfolding history and the evolution of democratic systems. This will help us understand, in an empirical manner, why many nations found themselves embroiled in power struggles and even civil wars. Of greater significance in this self-examination are the political, social and economic consequences of the successive systems of government on civil society's behaviour and people's attitude toward change.

It has been difficult to achieve a common dream anywhere in the world, due to the efforts of some leaders to have and control power without regard for the welfare of those they lead. Historically, the evolution of power politics in post-independence Africa has indeed been very complex. Remember, by the end of the 1970s,

some former colonies and protectorates in Africa had already gained independence. But countries such as Zimbabwe, Liberia, Sierra Leone, Mozambique, Angola, Namibia and South Africa remained British, American, Dutch and Portuguese colonies, attaining nationhood much later. This chequered political map somewhat slowed the process towards power-sharing through multi-party political structures. Instead, a peculiar form of governance arose in the form of African dictators who assumed immense political, economic and social powers resembling those of kings and emperors. Some classical examples of leaders exercising absolute power were Dr. Hastings Kamuzu Banda of Malawi, Mobutu Sese Seko (Zaire, now DRC), Haile Selassie I (Ethiopia), King Sobhuza II (Swaziland), Félix Houphouët-Boigny (Ivory Coast) and Idi Amin (Uganda). In today's Africa, some leaders continue to wield absolute power in their countries.

Several factors contributed toward this absolute power trend. The first factor was the establishment of one-party states. During the 1960s, when many African countries were granted political independence from European powers, an ideology emerged among African leaders. They believed that continuity and political stability were needed to consolidate independence, it being understood that political stability meant one leader ruling for life. They also felt that what Africa needed was strong political leaders who would help their countries wade through the maze of international manoeuvres, and thereby safeguard their hard-won independence. This period saw the emergence of dictators and leaders who sought to stay in power at all costs. The existence of political opposition parties was not tolerated and considered a drag on the economic and social advancement of their countries.

This ideology was reinforced by a series of *coups d'états* where the army took political control in many countries throughout the continent. This trend was not confined to Africa, but prevalent to a lesser extent in other parts of the developing world, such as South East Asia and Latin America. Military leaders, having toppled dictatorships, refused to return to the barracks and continued

autocratic rule with immense power over civilian populations. Observers believe that Malawi experienced one of the worst forms of this type of dictatorship.

General elections that tend to result in one political party winning all or most of the seats in many countries' national assemblies are the second major factor contributing to the absolute power trend in Africa. This was the case in Southern and Eastern Africa with MCP in Malawi, UNIP in Zambia, ZANU-PF in Zimbabwe, CCM in Tanzania, KANU in Kenya, FRELIMO in Mozambique and SWAPO in Namibia. The same occurred in other parts of Africa, such as Senegal, Ivory Coast, Algeria, Libya, Nigeria, Guinea, Botswana, Lesotho, Angola and Zaire. Ruling parties were consolidated without any effective opposition, political accountability, or 'checks and balances', all considered necessary in a true multi-party democracy. In all these countries, the ruling parties were so strong that they could pass any legislation in parliament or pronounce any rule without dissent.

In Ethiopia, for example, Emperor Haile Selassie I was known by his people as *The King of Kings, The Lion of Judah*, and *The Elect of God*. In Malawi, the MCP gave the following titles to Dr. Kamuzu Banda in recognition of his absolute powers: *The Ngwazi* (wise leader), *Mkango* (lion), *Mpulumutsi* (saviour), *Messiah*, *Saviour* and *Moto*. In Ghana, Kwame Nkrumah was given the tiles of *Osagyefo* and *Messiah*. In Tanzania, Julius Nyerere was called *Mwalimu* (teacher) and in Kenya, Jomo Kenyatta was called Mzee (wise old man). One major outcome of the above factors was the development of a political continuum, which gave presidents absolute and unprecedented power in all aspects of political, economic, social and cultural life in civil society. This resulted in the perfecting of hero worship to an art form in some African countries.

It is important to mention that, to ordinary people, these titles were real and represented a symbol of power and authority. The African people became subjugated and submissive in their

day-to-day relations with the government. As time went by, a ‘silent majority’ emerged that were happy merely to be alive. In order to survive, ordinary people, intellectuals and professionals alike all worshiped and showered praise on their presidents. Many became terrified by the mere mention of their leader's name, and in some cases no one dared even suggest or offer professional advice regarding a country's development for fear of being misunderstood. This era witnessed an entrenchment of the ‘hero worship’ phenomenon whereby political party supporters ferociously competed for recognition and favours, showering honour and respect on their supreme leaders. Critics claim some leaders had in fact become demigods. In some cases, people would begin any public statement by acknowledging that whatever they had done or achieved was thanks to their leaders’ wise leadership. Many even saw their leaders as omnipotent and infallible.

In order to understand how absolute power evolved, let us further examine the case of Malawi. Power began to be centralised in Malawi when leaders of the ruling Malawi Congress Party (MCP) declared Hastings Kamuzu Banda to be ‘Life President’. This closed the door to anyone who wished to run for president as long as Dr. Banda was alive. Again, through deliberate policy, the MCP became the only political party allowed to operate in Malawi. The most significant abuse of power occurred when a provision in the Malawi Constitution was passed empowering the president to deprive any person of his seat in Parliament ‘if having been elected as a candidate representing a political party established in Malawi, he subsequently ceases to represent or be a member of that party or claims to represent another political party.’ The creation of the one-party state in Malawi was, therefore, not a political accident, but the result of conscious policy following a line of strategy clearly laid out by those in power.

Let us now turn to the matter of who should govern and how this should be done. Although these questions still call for debate, let us stress that how power is managed at the national level

greatly influences the extent to which people may participate in decisions affecting them. Several critical ideas must be addressed when engaged in democratic reforms and transformation. Among them is the recognition that democracy, good governance and development go hand-in-hand, and that appropriate human relationships within a society are just as critical to the success of a democracy. In that regard, bad political judgment by leadership can plunge a nation into a deep crisis where people no longer trust the government, leadership or political system.

The second idea is that cultivating a spirit of tolerance, reconciliation and understanding leads to good working relationships between ruling and opposition parties and is the precondition for a successful multi-party democracy. This is not the responsibility of the government alone. Political opposition leaders must also show willingness to compromise.

The third idea is that the use of democracy as a tool for economic and social development depends, to a large extent, on leadership with a clear vision that is dedicated and committed to making things better for all. The person entrusted with the stewardship of the nation must be capable of directing people towards clearly defined goals and objectives, especially in macroeconomic growth, social transformation and poverty reduction. In other words, it is a truism that a leader cannot lead if he does not know where he is going.

Democracy, as an evolving struggle for political power and control, is as old as time itself. Throughout the history of human evolution, struggles for power, control and domination have taken many forms. For centuries, the quest for freedom and independence, the birth right of every human being, has led to bitter struggles among different ethnic groups or classes in the world's societies. Wars between nations and class struggles within nations have invariably started when one group or tribe in a society emerged to subjugate the rest, denying them what was perceived as their fundamental freedoms.

One important factor influencing power to govern in African countries goes back to the African traditional ways of life under the kings, emperors and warrior rulers. In the ancient and modern kingdoms of Africa, which included the Kingdoms of Mali, Songhai, Ghana, Namibia, Egypt, Morocco, Ethiopia, Congo, Lesotho and Swaziland, the King or Emperor was the absolute monarch who ruled with an iron fist. Therefore, democracy, as generally understood now, was unheard of in these kingdoms. Everything then belonged to the King.

Another factor that later influenced power structures is that, in all colonial institutions, white rulers generally lacked an understanding of the traditional systems of governance and the relationships practised before the white man set foot on African soil. The white settlers' governments, backed by armies of soldiers, traders and missionaries, were generally arrogant, brutal and uncompromising in their exercise of power and consequent disregard for African traditional societies. This brutal force was reinforced by their policy that regarded African cultures, traditions and political systems as 'primitive'. Similarly, colonial rulers were generally cruel and inconsiderate of the plight of Blacks and thus put into place legislation preventing Black people from participating in the political process and engaging in business or commercial farming on any scale. Reports of atrocities and cruelty perpetrated by the colonialists were many, and Africans had nowhere to voice their complaints. In most of colonial Africa, repressive labour laws were enacted by colonial administrations, forcing Blacks to become tenants on European estates, and thus become subservient to their colonial masters. Politics, economics, religion and education were conducted in such a way as to keep Africans under permanent European control.

It is important to mention that attaining democracy in Africa had mixed results and the intensity in power struggles was influenced by the type of colonial policies in place. Natural resources in a given country, such as minerals, forests and arable

lands, also exerted an influence. For instance, countries in Eastern and Southern Africa with rich mineral deposits were the last to gain political freedom. These countries included Zimbabwe, Namibia, Angola, South Africa, Mozambique and the Democratic Republic of the Congo. They all gained their independence through bitter and prolonged armed struggles, which later played a significant role in their politics. On the other side of the spectrum, countries like Tanzania, Uganda, Malawi, Lesotho, Swaziland, Ethiopia, Sudan and Botswana, thought to have no valuable mineral resources, were granted independence much earlier.

THE POWERFUL AND THE POWERLESS

In pursuing the African dream, the greatest challenge is how to manage multiparty democracy to promote economic development. We need further analysis to understand political parties and how they influence the sharing of power. The general feeling in all countries of the world is that political parties play a decisive role in the quest for democracy. In order to understand the theory of power struggles, let us also understand politics. According to Webster's New Collegiate Dictionary, politics is the 'science or practice of government; political science; the theory or practice of managing affairs of public policy or of political parties'. A politician would, therefore, be described as 'one versed or experienced in the science of government'. By extending this definition, an action would be defined as political if it pertains to the polity, or politics, or the conduct of government; or, to the organisation or action of individuals, parties or interests that seek to control the appointment or action of those who manage the affairs of a state.

This definition is useful because politics is a critical element of governance. Power, as earlier defined in this chapter, leads to another dimension, namely the political tug-of-war in Africa. The definition of 'politics' in an African context may appear mundane to some, but it is critical in laying the groundwork of

understanding, because to date no universally accepted definition of what politics is appears to exist. This is why some people simply define politics as a 'dirty game'. It is not surprising then that in continuing to analyse the political conflicts and class struggles reviewed earlier, a lingering issue in the minds of politicians is how to design an ideal political structure. The historical experience of democracy may even justify the definition of politics as a 'dirty game' or a game of intrigues. But in practice, politics is about governing people in a society or country. Political struggles emerge when those in power are unwilling to share it and plan to stay in power forever. On the other hand, problems arise because those in opposition want to reach the centres of power as quickly as possible, even through the backdoor, outside the time stipulated in the constitution. Hence, intrigues and machinations emerge, and instead of a political system providing 'checks and balances', the opposition often tries to bring down government illegally.

This observation will provide the basis for examining in some detail the conceptual definition of Africa's brand of politics. But before doing so, we need to emphasise that the African situation is unique and peculiar to this region. This peculiarity is partly due to Africa's emergence from colonial structures which oppressed and subjugated civil society, and partly due to the fact that the concept of human rights and civil liberties does not mean the same thing to all people in civil society. This lack of common understanding has not changed significantly under the emerging multi-party systems of government in Africa.

The fundamental problem of politics in Africa is that, at the time of independence, the erstwhile colonial masters arrogantly assumed that what was good for Europe was also good for Africa. They therefore designed systems that imitated those in metropolitan Europe. Moreover, the new political leaders, exuberant over their power to rule, did not question whether the system of governance imposed by Europe was good for Africans. In fact, they appeared to have been oblivious to the fact that most Africans still lived in rural areas within traditional societies unaffected by the colonial

ideologies. Both colonial and emerging African administrations made the often-erroneous assumption that people in rural areas actually understood and wanted a new western-style democracy.

In order to understand how emerging democracies are envisaged, it is important to review how politics is defined in developed nations. For the new African political processes, we need to accept the dictionary definition of politics to mean the science of running affairs of state. If the civil society would agree to this definition as the basis for political governance, then politics need not be a dirty game reserved for crooks and tricksters. Reaching this understanding is important, because although some politicians seek personal gain or fame when entering politics, others enter the field with the genuine desire to contribute to the development of their countries. It would be plausible then to argue that all citizens in any African country – including religious leaders, traditional chiefs, women's groups, NGOs, the youth, the elderly and people with disabilities – are entitled to and should actively participate in the politics of their country.

For the purposes of this book, we shall define a political party as an association or organisation of free persons registered under the laws of a country with the goal to influence government policy on behalf of the civil society, and to preserve the interests of its members at all levels of decision-making, and to control government through general elections. Edmund Burke, an 18th century British parliamentarian, defined a political party as 'a body of men united for promoting by their joint endeavour, the national interest upon some particular principle in which they are all agreed'. It is in this context that any opposition party has the right to call itself 'a government in waiting' or 'the alternative government'. Given the definition of politics in the preceding section, the next pertinent questions are: What is a political party? Are political parties necessary? Many African constitutions do not define what a political party is, or what multi-party democracy is. Some constitutions simply state that every person has the right: '(a) to form, to join, to participate in

the activities of, and to recruit members for, a political party; (b) to campaign for a political party or cause; (c) to participate in peaceful political activity intended to influence the composition and policies of the Government; and (d) to freely make political choices.'

These constitutional provisions reflect the people's general understanding of their right to belong to the political party of their choice. They are also a direct response to the debate that preceded political independence. In multi-party systems, such as the ones in Africa, the ruling party represents the dominating power over opposition parties. This is largely because those in power often are part of the class that also dominates the rest of civil society in economic and social matters. The complexity does not end here, however. There is a whole range of issues left up to guesswork, especially with regard to sharing power.

How useful are political parties to African unity? To answer this question, we must accept that the functions, and indeed, the usefulness of political parties always generate heated debates. Those who have dictatorial inclinations tend to look at multi-party politics as unnecessary, arguing that they serve only to create problems of governance and instability. Evidence does indeed suggest that a multi-party system of government has built-in instability. Invariably political parties bring about disunity in the nation and divides people along tribal, ethnic or even religious lines. It is argued that political stability cannot be attained in such a society, because when leaders jostle for political power and control, they tend to rock the boat and growth and development cannot take place. Further argument suggests that, in African countries where bloody civil wars have occurred in recent years, the underlying causes of such conflicts were the emergence of political parties based on tribal affiliations. This is further illustrated by the situation existing in most Sub-Saharan countries where having many political parties has resulted in chronic instability due to the major political parties depending largely on tribal or regional affiliations to win elections.

Those supporting a multi-party system of governance quickly dismiss the above arguments by stating that political instability can arise even in a one-party system of government depending upon the political designs of the leadership. They further argue that plural parties provide the necessary 'checks and balances', preventing the government and leadership from excessive abuse of power. They also argue that, in many emerging African democracies, evidence shows that political parties are necessary to link the electorate with the elected, helping sensitise the government to the real needs of the masses. This view prompted a Malawian religious leader to assert in a pastoral letter from the leaders of Church of Central Africa Presbyterian the following:

> "Political parties express, in a concentrated and very articulated way, the interests of the whole society. They have therefore, other than pressure groups, a very unique task, which is to promote ideas, which have a chance to be supported by the majority of the population and to prepare decisions that can be accepted by most of the citizens. The more a policy integrates different interests, the more it has a chance to mobilise all the resources of the population. That is why political parties must make sure that they have representatives of all strata of the population within their own membership. And that's why a big effort to find the real interest of the nation must already be made within the political parties themselves, before the discussion between them starts. This definitely requires an internal organisation which is authentically democratic in itself."

Based on the above, the functions and advantages of political parties can be grouped into four main categories. First, political parties, by virtue of their varied ideologies, mandates and platforms, can promote democracy by helping to organise public opinion and awareness around major issues of common national interest. They can also help show government how to handle conflicting interests to benefit the nation as a whole, while informing citizens about government's competence and their political choices.

Second, political parties can help educate the civil society on issues of human rights, civil liberties, the rule of law and the duties and obligations of the state to the people and vice versa,

within the framework of a multi-party system. The parties can also supplement government efforts in civic education by ensuring that the masses know about the political decisions affecting them. In that context, political parties can help the democratic process by allowing people to choose from several options, the political party that would best represent their basic interests in government.

Third, political parties can play a vital role in building confidence between the people and politicians by censoring government, thus preventing abuses of power, straying from constitutional guarantees, and ensuring accountability and transparency. Political parties can also help promote and strengthen democracy by making sure the people are always consulted about important decisions of national interest. This would, in turn, strengthen national determination to work together to solve the political, economic and social problems facing the nation.

Lastly, political parties can help provide a legal and constitutional means by which a government can freely and peacefully change hands, from one political party to another. This is done by the people themselves, through the electoral process.

The above scenario depicts an ideal situation that could exist in the fully developed democracies of Europe and North America. In reality, experience suggests that a multi-party system of governance in Africa is still rudimentary and fraught with instability and conflict. Therefore, a critique of African political systems should take into account that most countries are still learning the ropes. However, observers note that the majority of the power-brokers in ruling parties have also been principal players in the previous oppressive one-party regimes. Therefore, many countries have had difficulty smoothly transitioning from a one-party to a multi-party system, and cracks have emerged in the democratic functioning of several governments. Such cracks, described in the next few sections, need to be mended as a matter of priority if democracy is to be safeguarded and strengthened as well as meet the hopes and expectations of the electorate.

Let us advance this discussion further by indicating that a growing number of critics feel that misrule in a country occurs if the following tendencies persist. First, the leader of the ruling party and his power baron friends commit the terrible crimes of eliminating, kidnapping and imprisoning their political opponents; commit atrocities; or, deprive or disenfranchise those holding different opinions from them – all these behaviours are reminiscent of colonial rule. Second, the president fails to separate his function as head of state from his obligations as leader of the ruling party. This causes problems to arise when trying to respond to national interests versus party interests and often happens when the president unwittingly fails to strike a balance between his responsibilities as national and party leader, spending too much of his time and resources on party issues. Third, leadership allows itself to pursue policies that condone corruption and theft of public funds by cabinet ministers, political followers and pro-government officials, causing the civil society to become confused about the government's direction in eliminating poverty and emancipating the rural population.

THE SEPARATION OF POWERS

The separation of powers is a de facto way of sharing power. In a perfect democracy, a clear separation of powers exists; however, nowhere in the world does a perfect democracy exist. Thus, one of the biggest challenges to making democratic changes in a multi-party system is to prevent one branch of government, such as the executive, from usurping the power of the other two branches, the legislative and the judiciary. When this occurs, it is often due to misinterpreting the mandates of the three branches and a fuzzy understanding of the separation of powers doctrine. This often happens when the ruling party has a comfortable majority in parliament or the national assembly. Parliament may also usurp power, as happened in Malawi, when opposition parties conspire to take over some functions of the executive branch, not to strengthen democracy, but to punish the incumbent president.

The abuse of political power and authority may take many forms and can be present in any form of governance. One of the main causes of power abuse is a leader's lack of self-confidence. The constitution of many African states is quite clear about the extent to which a president may exercise power. A legal view on the importance of the separation of powers doctrine was expressed by Justice Richard Banda, former Chief Justice of Malawi, who said:

> "There can be no legal accountability where you do not have an independent judiciary which can ensure that all government activity is, as everybody else, subject to the disciplines of the law. An independent judiciary ensures that there shall be no excess or abuse of power. An independent judiciary is the cornerstone of a legal and judiciary system and a commitment to it is a reinforcement of the rule of law, which has been described as a phenomenon of a free society. Our country must strive to be such a society."

No one can dispute this observation. Therefore, given the constitutional provisions in African countries, misgivings exist about the agenda proposed by some political parties, to the extent that they do not support the promises made to the people during elections. Contrary to the principle of 'checks and balances' embodied in a multi-party structure, some critics contend that power abuse is used to cover up a lack of understanding, incompetence and mismanagement of the political system. In order to protect themselves, governments often adopt a policy of exclusivity, whereby opposition parties are barred from participating in the running of the multi-party system. The critics also argue that this form of power abuse is further manifested through the disruption of opposition political rallies or the suppression of opposition parties by the party in power, leading to the circumscription of civil liberties in an effort to hold onto power indefinitely.

At the other end of the spectrum, opposition parties may abuse power because they interpret the separation of powers doctrine too narrowly. For example, the constitutions of many

African countries clearly outline the separate and distinct functions of the executive, legislative and judiciary branches of government as well as their respective responsibilities to the nation. In simple terms, the executive branch runs the day-to-day administration of the government, the legislative branch enacts laws to assist in the running of the government and the judiciary branch enforces the laws that facilitate the running of the government. In practice, however, some opposition political leaders do not recognise their constitutional limitations and sometimes verge on usurping the powers of the other branches. Conflicts would arise in instances where the doctrine of the separation of powers is not understood or respected. On the whole, one could argue that the separation of powers among the three branches of government is observed in Africa.

The African dream, however, often becomes blurred by problems arising from power sharing. This is sometimes reflected in political violence before and after general elections. Violence may also occur in between general elections. The institutionalisation of political violence is one of the most serious problems hindering the advancement of multi-party democracy and power sharing in Africa. In some countries, political violence has long been associated with the one-party regime and, despite democratic reforms, some political power barons continue to exhibit insatiable urges towards violence.

The collapse of dictatorships in some countries had given new hope to millions of Africans that the political violence, so widespread in the past, could be prevented. One example of this new hope can be found in Malawi where violence was perpetrated by the Malawi Congress Party Young Pioneers (MYP). Party members once roamed the countryside and urban centres, terrorising and beating up, or even killing, those suspected of not supporting their leader. Under the UDF government in Malawi, violence continued. The Young Democrats also terrorised and beat up people, including religious leaders. Now this is over.

In other African countries, political violence has manifested in a variety of ways. Sometimes even cabinet ministers are alleged to have hired thugs personally to shoot at, throw stones, burn vehicles, tear flags and generally disrupt public meetings and rallies organised by opposition parties.

Political violence is a violation of constitutions and human rights. The main principle behind holding any political office is to uphold the constitution of a country. When a government institutionalizes violence, it deviates from its fundamental task – to protect all its citizens. When it does, it destroys the civil society's confidence in government and raises doubts about the integrity and honesty of its leadership. Confidence is further damaged when power barons in a ruling party hijack a political system to consolidate their personal positions, as has happened all too often over the past four decades or so in Africa.

Numerous cases exist in Africa where political parties violate constitutional guarantees regarding human rights and civil liberties by strong-arming their political opponents to silence them. Examples of such actions are the kidnapping of political candidates or using the courts to confiscate wealth and property for political reasons, both obviously unconstitutional, but where no legal action is generally taken against those involved. Similarly, cases exist of hired thugs throwing stones, beating up opponents, burning other parties' flags and vehicles, and other irresponsible acts of vandalism. None of these should be allowed in any civilised society. These actions clearly violate the penal codes of the countries concerned, but here again the police have sometimes been unable to enforce justice.

Critics contend that political violence does not arise from isolated incidents, perpetrated by a few over-enthusiastic supporters. Rather, it generally follows a carefully laid out plan to prevent the civil society from having the freedom

of 'informed choice', guaranteed by the constitution. A contradiction exists: whereas most residents genuinely believe in multi-party governance, their power barons act to the contrary. Moreover, instead of devoting time to developing their countries, politicians spend their time and huge amounts of public funds on destroying other political parties. This has led many to question any claim of democracy in these countries.

This leads us to conclude that the concentration of political, economic, social and information power in the hands of one person results in serious abuses of power, the violation of human rights and no rule of law. Therefore, the next most important issue facing African democracy is how to heal from political wounds. In any political system, one of the major setbacks of multi-party democracy has always been the failure to agree on a new system for moving forward together and reversing the bitterness and rivalry that develops during election campaigns. This is made difficult when political dissatisfaction exists because only a privileged few have access to political power, income generating activities, business loans and government contracts. In Western democracies, important appointments can be given to the opposition; this is not the case in most African countries, because the opposition often uses its positions, even in the civil service, to frustrate government programmes. This causes government to insulate itself by appointing party supporters to various economic and social institutions, including the civil service, and to positions in the legal system, as a means of power consolidation. The opposition, in turn, views such policy as an attempt by the ruling party to create economic empires and strong financial and economic systems to control the economy and consequently deny them any chance of gaining political power.

Critics further argue that some leaders in multi-party democracies quickly move in to acquire the same monopolies established by earlier colonial or dictatorial regimes. Huge

amounts of revenue from party-owned corporations have been used to finance party machinery. Some observers state that governments have also devised a policy of aggrandizement on a scale never seen before in these countries. For instance, they claim that leaders of ruling political parties systematically award government contracts, tenders and even business loans to party supporters.

Based on the above examples, political leadership recognizes that power-sharing is a precondition for sustainable multi-party democracy, and for multi-party governance to be sustained, there must be a healing process. African civil societies must heal from the wounds inflicted under apartheid and repressive or dictatorial regimes. This is an essential element to the democratic transition required to achieve economic growth and development. As stated above, the reason the multi-party experiment in some African countries has run into difficulties is because some presidents have vowed never to work with their political opponents. This has puzzled many political analysts, who believe that such a stance only confirms a policy of retribution, which obviously runs contrary to the spirit of reconciliation and forgiveness.

In another context, the African experience of democracy has raised concern among many, because the multi-party system, like its predecessors the one-party and colonial regimes, is sometimes seen as archaic because of its adoption of policies of retribution and vengeance. For instance, there were many attempts in Zambia and Malawi to impeach the incumbent president on trumped up charges of alleged constitutional violations. In some instances, the media and some senior civil servants were manipulated in order to destroy the government's reputation through a series of lies. In other instances, the opposition made attempts to influence the inflow of donor funds, simply to ensure the government did not function.

In such a political environment, the functioning of multi-party political systems became truncated, much like what occurred under one-party regimes. This caused people to wonder if anything had changed as a result of general multi-party elections. The opposition also developed a 'conspiracy of silence', playing mute whenever cases of corruption or theft of public funds arise, dubbing these abuses of power, 'political witch hunts' and deviations from constitutional guarantees. This has led observers to conclude that the policies and practices of the parties that immediately replaced former one-party regimes were not much different than their predecessors. The same people who wielded power in the previous regime came to control governments in the multi-party system.

There is general consensus that one of the weakest aspects of many plural political systems is the absence of a strong mechanism for truth and reconciliation that would have sufficient mandate, moral courage and conviction to confront all political parties whenever they step out of line. The contention is that political parties have interfered in the independence of political systems simply by using their strength in numbers to defeat government programmes. As such, the system's ability to function with impartiality has often been compromised. For instance, cases of voting irregularities, vote buying, vote rigging and misuse of voter registration cards, which have been reported to electoral commissions during the by-elections in a number of African countries, have been quickly dismissed on grounds of insufficient evidence, and no effort has ever been made to verify if the cases were legitimate or not. There is, therefore, evidence to support the view that the independence of electoral commissions can only be guaranteed if their members, drawn from the civil society, do not have strong political affiliations.

THE LESSONS

In concluding this section, let us bear in mind that power politics play a decisive role in African governance but over the past five decades the struggle for political, economic, social and information power in many countries in Africa has presented formidable challenges. This is because the benefits expected from multi-party democracy were negated by the adoption of policies reminiscent of the one-party dictatorial regime. In other cases, the attempt by a leader to stay in power beyond the constitutional mandates caused strains in the political system. The lesson is this: multi-party democracy does not guarantee automatic power-sharing. It requires leaders to commit to justice and fair play. At the national level, leaders must constantly resist the temptation to use their power to only promote the interests of the ruling party or advance their personal interests. We have also learned that when a leader is not clear about the respective roles of political parties and does not understand his obligations to the people, he may be prone to misinterpret democracy, which may lead to serious abuses of power.

Another lesson is that power may be abused by both government and the opposition parties. In fact, history has taught us that at both the national and continental levels, 'power corrupts, but absolute power corrupts absolutely.' Indeed, in many African countries, evidence supports the view that a lack of political accountability is still prevalent under multi-party rule. Therefore, if history is anything to go by, the collapse of political systems may be precipitated by a lack of power-sharing. For instance, after a few years of multi-party democratic governments in some African countries, people became apprehensive because their expectations to share in economic prosperity did not materialize, and hopes for a better life disappeared over the horizon.

Finally, we can assert that it is imperative to renew the people's faith in their politicians and political systems, a faith

that has been lost as evidenced in voter apathy in subsequent general elections. The way leaders and political representatives are chosen also needs to be perfected to ensure that those who go to parliament are fully committed to work for the people and not for their own personal interests. African countries are still learning how to manage a multi-party system of governance that can bring about justice and fairness and that can prevent politicians from trying to remain in power forever by undermining the very system that brought them there.

5

THE FACES OF NEO-COLONIALISM

Neo-colonialism is an attempt to undermine the sovereignty of an African state through the guise of 'subtle economic and political tolls'. It is commonplace for a country to wake up one morning after independence only to find itself 'enmeshed in a series of economic, political and other obligations which render political freedom meaningless.' The characteristics of neo-colonialism are (a) the use of foreign capital and foreign aid, to maintain the old economic links with an African country for the purposes of securing cheap sources of raw materials while preserving markets for finished products; (b) the introduction of complex development institutions which necessitates continuance of the colonial presence in an African state through the operation of the technical assistance personnel which strengthens Africa's dependence on the former colonial rulers and other neo-colonial agents; (c) the maintenance of military presence in African soil through such pretexts as fighting communism which, in effect, undermines the political independence of the State concerned; and (d) the creation of areas of trade preferences and monetary zones such as the Commonwealth Preference (formerly Imperial Preference) and then Association of Africa with the European Economic Community (The Yaounde Convention)

(Kenneth D. Kaunda, Zambia: Independence and Beyond, 1966)

THE WASHINGTON CONSENSUS

Simply stated, the Washington Consensus comprises a set of neo-colonial dogmatic principles imposed by developed countries through the World Bank and the International Monetary Fund essentially to keep African development policies under control. This requires Africa and other developing countries to adopt as

a condition for receiving aid, 'sound macroeconomic policies' contained in structural adjustment programmes and economic policy reforms designed in Washington. This implied the liberalisation of African economies; devaluation of national currencies *vis-à-vis* major world currencies; liberalisation of trade, allowing the free inflow of goods from the industrialised countries that compete with infant industries; removal of all subsidies on agricultural inputs for the poor farmers who are required to pay a determined market price; adoption of a 'cash budget' for Africa while industrialised countries use deficit financing; and, reducing the size of the government by retrenching a large number of civil servants.

The other tenet of the 'Washington Consensus' is that financial support to developing countries may be granted only after first implementing policies to achieve 'macroeconomic stability'. According to this doctrine, a country's macroaggregates must first be stabilised in order for a country to grow. However, socio-economic indicators show that, although many African countries have implemented so-called 'sound macroeconomic policy', they are still deeply entrapped by abject poverty. Naturally, this raises serious questions as to whether this philosophy is appropriate for these countries, or whether institutional capability is faulty. The essence of macroeconomic dogmatism is that a set of economic principles is predetermined as a precondition for Africa and other developing countries to receive financial support from the Bretton Woods Institutions, with no regard for national expectations and aspirations. Economic targets – such as interest rates, levels of inflation and exchange rates – are fixed without due regard to the country's ability to meet such targets. However, once a government has committed itself to such an undertaking or made a guarantee to the IMF, the conditions cannot be abandoned or modified without approval from Washington, thus further encroaching on national sovereignty. With the stroke of a pen, a junior official at the IMF or in the G8 capitals can shut down the flow of resources to an African country for whatever reason. These types of incidents have caused Africa to question the relevance of the World Bank and IMF policies for Africa.

In order to understand the fallacy of macroeconomic stability, it is useful first to have a general understanding of the definitions and concepts of economics, macroeconomics and macroeconomics. In this treatise, we define the term *economics* to mean the study of the people's behaviour in a country, their efforts to improve quality of life; how they mobilise, allocate and utilise scarce resources, such as capital, money, finance, human resources, and technology to produce capital and goods for consumer goods and services to satisfy human wants; and, how such goods and services are distributed and traded locally and internationally.

Experience shows that these measures do not result in reducing inflation to single digits within a specified period of time, nor do they support the adoption of democratic reforms, the observance of human rights or the rule of law. The Washington Consensus has been an issue critical to a common African destiny, as this governs the relationship between emerging democracies and donor communities. We shall review this as a way to fast-track transition from the old, rigid colonial dogma to a truly home-based growth policy, which is a daunting task. This is premised on the plea to establish a new framework for donor tolerance and understanding of African political culture that allows the free-flow of thoughts from multiple perspectives, which also presents a challenge. However, the most difficult task remains rescuing the masses from abject poverty and distributing income so the poor do not become poorer. This can only be achieved if African development policies are sufficiently internalised so that sustainable growth becomes the main priority on the development agenda. Without sustainable growth there can be no sustainable development and this throws doubts on the relevance of the Washington Consensus to modernisation of the African economies and the efforts to permanently eliminate poverty. Therefore, unless there is visible and tangible growth in emerging democracies, sharing power will only result in sharing poverty.

A CRITIQUE OF THE WASHINGTON CONSENSUS

The burning question that Africans have been asking is whether donor communities are willing to reform or change their attitudes and biases against Africa. Does the Washington Consensus give any new hope for a new Africa? This remains to be seen. In the past, the North had refused to accept the changes suggested by the Brandt Commission; they had refused to implement the New International Economic Order propagated by the United Nations; they had refused to participate in the UN Development Decade for Africa; they had refused to fund the United Nations Development decade; and they had refused to implement the Doha Round of Multilateral Trade Negotiations. All these clearly show that G8 and OECD countries are still reluctant to reform their own trade policy institutions to reflect the new global order.

Africa remains puzzled by the G8 countries' unwillingness to accept that the success of Africa's development agenda hinges on them also engaging in political reform and liberalisation and redesigning their relationship with Africa. The globalisation process requires significantly more dialogue between donors and Africa so the latter may benefit from world trade relations. Interfacing between African countries and the donor community must be based on a new 'win-win' relationship, not the old – horse and rider – one. To this end, the policies of donor communities must be flexible enough to allow the African development process to be fully internalised.

Leaders from the G8 should also understand that the African people must design and implement sound development policies in order to escape from poverty. The North must, therefore, be willing to support the drawing up of national and regional programmes that take into account Africa's short, medium and long-term development requirements as well as the interests of the donor communities. The North must accept the decentralisation of the development process. They must also allow the African people to participate in the economic decision-making processes.

This is critical if Africa's development is to become internalised. Donor communities and African countries must establish a new way of doing things together to ensure full understanding and support of the democratisation process, both materially and financially. Another aspect of this policy shift is to recognise that up until now African policies and institutions have been response-oriented due to intense pressure from donor communities. Africa has been unable to determine its own strategies based on its people's needs. In other words, Africa responds to: the trade policies and programmes of industrialised countries; political developments in the North; the financial and monetary crises of the North; and, to conditions placed on it from the donor community. If the pace of development is to address the real needs of our people, this must change. African leadership must be allowed to engage in constructive dialogue with the donor communities. Africa must be able to decide what it wants, where it wants to go and how it wants to get there. Bold initiatives are necessary to release the stranglehold of donor ideologies.

Another obstacle to the internalisation process is resistance from many donors to adjust their policies and practices to align with the democratic changes they themselves enforce on Africa. For example, all projects funded by the European Community, the World Bank or bilateral donors have been conceived, designed and implemented invariably by their own hand-picked staff from the North. They also use equipment bought in the North through so-called 'international competitive bidding'. This prequalification excludes local African contractors and consultants from the process. Donor fund managers insist on recruiting friends and relatives, offering them incredible salary packages charged to aid programmes. When 'local' consultancies are selected, these are usually whites who have relocated and reside in Africa. The primary objective here is to make sure the greatest share of project funds and grants remain with the donor countries of the North.

African leadership in general has felt betrayed by the donors' response to political transition and still faces united opposition.

They had hoped that by overhauling political, economic and social standards and values, donors' perception of their relationship with African leadership would change given the context of the new international culture. But the North has not changed. Despite fundamental political reforms, donor communities have not fully supported Africa's development programmes. Many African countries have in recent years enthusiastically adopted multi-party democracies, but have not been rewarded with greater resources. They have implemented World Bank/IMF Structural Adjustment Programmes (SAP) and IMF Poverty Reduction and Growth Facilities (PRGF). They have also significantly improved their human rights records. However, they have not received additional resources to cover the immense costs of such reforms. In fact, until recently, loan repayments were still being made to the Bretton Woods Institutions.

It is also appropriate to say that donors must recognise that, in most cases, African leaders are not oblivious to the world around them. They know what their people want; they know what the political and development problems are; and, they know how to tackle them. What they may not know is where to find resources to implement their national programmes. It would therefore be useful for the donors, especially their young and inexperienced technocrats, to consult the Africans themselves, instead of claiming they know all the problems and answers.

African leaders expect, and legitimately so, that significant resources be made available to their countries so they may implement transitions towards new governance and multi-party democracy. The former president of Zambia, Frederick Chiluba, echoed this sentiment when he said, 'If we fail to get assistance even after passing the litmus test for democracy, human rights and accountability and good governance, then democracy will fail in the emerging nations' (Times of Zambia, 5 June 1992). This statement sums up the challenge facing the donor community: to demonstrate their goodwill and commitment towards Africa. This means they should also open up their perceptions, value judgments

and prejudices to remodel aid and technical assistance to Africa and adequately respond to a changing global society. African leaders also believe that as part of the liberalisation process the donor community should clearly make known how they interpret political reforms, multi-party democracy and good governance. They should spell out what type of new political, economic and social institutions they wish to see established in Africa in order to satisfy conditions for increased flow of resources. For example, most countries in Europe and North America use a two-party system in which one is in power, the other in opposition. Would donors accept a two-party system in an African country as fulfilling the demands for democracy?

THE DILEMMA

In the final chapters of this book, we shall devote time to the search for a new direction. For now, let us simply recognise the element of despair in Africa resulting from development policies not having provided a new direction for real economic growth and development. We in Africa have failed to build upon our own successes in achieving democracy, human rights, the rule of law and economic governance. Instead, many African leaders feel exasperated that the concrete measures they take to assist the 'poor' in their countries and to mobilise adequate resources for development do not result in rapid rates of economic growth and social transformation. Another source of frustration is that the programmes and priorities forced upon African governments by the international donor communities do not appear to have any relevance to what is actually taking place. This is largely because, since independence, dynamism and flexibility have been replaced by rigid orthodox dogmas. Important development priorities set by officials in Washington, Brussels, London, Paris and Berlin are largely at variance with the real needs of the poor. In the past, any consultation with African governments to determine exactly the priorities of each country was at best window dressing. The result

was that most of the projects approved and funded by the donor community did not actually reflect the national development plans of African countries.

In searching for new direction, it has become necessary to examine whether growth models imposed upon Africa can be modified to directly respond to poverty reduction efforts. For instance, the neo-classical model for growth has proved that in an economy primarily dependent on agriculture for subsistence, inequalities in income distribution tend to increase as the growth process gathers momentum. This is explained by the fact that, in African development planning, targets such as growth in GDP are fixed first, and then people's well-being is later built into the model. The capitalist concept in which humans, along with other factors such as land, capital and management, are considered a factor in production is perpetuated. In so doing, the planner relegates people to a position where events influence them, rather than them influencing events.

Because African planners have accepted the growth models of the capitalist world, the majority of the poor are invariably left out of such models. These models are based on the assumption that, over a given time period, GDP will grow at a given rate and will then be divided among the total population. Each inhabitant in a country is presumed to receive 'X' number of dollars in terms of goods and services. In other words, once income has been produced, it is generally hoped that somehow it will be equally distributed among the people in a manner that would reduce poverty and inequality. This assumption is as unrealistic as it is incorrect, because in reality the income is never distributed equally.

In a socialist framework, planners have attempted, with marginal success, to depart from the traditional growth models and concepts, to the extent that economic development planning was believed, at least conceptually, to centre on people. In reality, the disparities in income distribution were as glaring in these situations as in capitalist societies. For this reason,

the socialist models also failed to ensure political commitment to improve the welfare of the people, and instead perpetuated powerful but unpopular leadership. The tragedy is that some African leaders ignored this, hoping that development would somehow proceed without the unconditional commitment to improve the lives of the people. These leaders merely paid lip service to the issue of mass participation in socialist development, while all the while consolidating greater political power to exploit the poor. One example of this is the lack of confidence exhibited by such leadership in their persecution of local intelligentsia and preference for 'surrogate' economists. This explains, in part, the intellectual captivity and the lack of technical and managerial capacity to implement national projects.

It is important to recognise that, since political independence, class friction in some African countries has reached such a point that development has failed to strengthen fair income distribution or bring the fruits of independence to the population at large. In such cases, the people's frustrations have resulted in a 'class struggle'. Using the word 'struggle' may be misleading, because it pre-supposes the existence of an ideological, political or economic struggle between the 'haves' and the 'have-nots'. However, in real life, such struggle exists only in principle, because those who have economic power also wield political power; the rich and powerful in both capitalist and socialist systems equally subjugate the masses. Therefore, the subordinate classes can only silently voice their dissatisfaction against the ruling class, but often find it difficult to openly do so. In rare cases, where intervention through violence has been inevitable, the ruling class has responded harshly towards the poor masses.

The stratification of the civil society exists when the following characteristics are present in an economy, regardless of the policy brand a country professes: the lack of a genuinely dedicated leadership, completely committed to eliminating mass

poverty; ignorance and disease in the society; a corrupt civil service lacking commitment to the country's government from the grassroots level up; the lack of a new formula for eliminating unequal distribution of the nation's wealth; inequalities in education and for creating employment opportunities; the inability to create carefully democratised means of production and hold wealth in trust for the people; and the absence of a clear empowerment policy that enables the local private sector, especially small and women-owned businesses, to participate fully and effectively in the development of their country.

Gaps would then appear within the economy resulting from the disparity in social welfare and living standards that become more pronounced. In another sense, class distinctions appear when the State places greater emphasis on developing urban centres while neglecting rural communities. The latter then become impoverished, resulting in the migration of people from rural areas to the cities in search of employment, denied them where they were living. Congestion in urban centres creates social pressures stemming from inadequate social services, water, medical and education facilities. Another class of people develops, the jobless, some of which turn to theft and juvenile delinquency in order to survive.

Perhaps one of the greatest harms donor institutions have done to Africa is the continuation of economic policies based largely on colonial forms of exploitation of human resources. Control over economic activity remains in the hands of a few politicians supported by some donors. The majority of the people are never given the chance to contribute effectively to economic development. The concentration of economic and political power in the hands of a few also implies that development will never really pull the poor out of poverty, but rather continue the status quo, benefiting those who control the political machinery. This inevitably leads to a new form of stratification within society – classes made up largely of the social ‘elite’, or ruling class, and the subordinate or subjugated masses. Consequently, as Kwame Nkrumah put it

in *Class Struggle in Africa* (Nkrumah, 1970), the new African ruling class owns the means of production in the same way as colonial capitalists did; and when that happens, exploitation of the masses continues to exist practically unabated.

One consequence of economic deprivation under present governments in most parts of Africa is that the poorer classes are exploited just as much under socialism as they are under capitalism. These grow weary of empty slogans and empty promises. As their situation worsens, sooner or later, they tend to rebel against the ruling class; and hence, the friction becomes self-perpetuating. This is because the new indigenous 'bourgeois', having reaped benefits from exploitative activities, do not wish to give up their recently acquired positions and wealth. The greatest difficulty arises however when, even after democratisation, the general public is deceived into thinking that control over economic machinery lies in their hands and later discover that their new leaders have economic and material ambitions of their own. All that has happened is the 'imperialist' or 'capitalist' ruling class has been replaced by an indigenous 'bourgeois' class with the same goal – increasing material wealth at the expense of the poor. This places the working class in conflict once again with their new rulers.

This explains in part why people generally continue to feel exploited by those in power, and once again, the central theme of democracy 'power to the people' is lost. Civil society thus finds itself drifting in a web of new neo-colonialism and deceit, manipulated by the elected ruling class. Consequently, as Issa Shivji said in The Silent Class Struggle (Shivji, 1972):

> "Class conflicts can also arise in that if an individual and petty-bourgeois ideology survives, a bureaucratic mentality will likewise survive, together with a bureaucratic concept of administration and politics, but with the aggravating factor that now this concept will prevail among a special stratum of men whose relation to the means of production and political decisions places them in a position of leadership."

This has been the common feature of governance in both capitalist and socialist African countries, and is being perpetuated under the emerging democracies. The conflicts arising out of class friction show that whatever the methods of attaining political power used in the past, the State did not attempt to ensure welfare nor answer the questions: Why is development sought? How will it be attained? Who is to gain from it? In other words, the development machinery did not show a distinct departure from Western ideology, which affirms that people's living patterns are determined by the particular culture in which they grew up, as demonstrated by the fact that living standards vary from one part of the world to another, and from one historical era to another. There is thus a preconceived notion that development follows a pre-set course governed by past heritage and that people become prisoners of their society. If that were true, democracy, accountability and governance would not improve the civil society's conditions.

We must stress that the African agenda for good governance and sustainable growth will be examined within the context of democracy as expressed through the empowerment of the people, the political economy of marginalism, egalitarianism, collectivism, economic liberalisation and regionalism. We have demonstrated throughout this text that the origin of national conflicts is the absence of development, and the absence of development puts to task the effectiveness of policies established to eliminate persistent poverty. This is particularly evident in countries where the economic, monetary and financial systems are not in the hands of indigenous people. Experience also shows that class distinctions do not automatically disappear when democracy, human rights, the rule of law or even political pluralism is introduced. This is true, because the primary objective of new political leadership should still be to significantly transform their mind-set from one of consolidating economic and political advantages to one of fighting poverty and deprivation of the masses. We shall go into these issues in some detail later in this book.

At the African level, however, there is consensus that the absence of political and economic liberalisation, resulting in a lack of peace, stability and security in many African countries, has seriously threatened the formation of a common African identity. For instance, in countries such as Liberia, Chad, Sudan, Ethiopia, Somalia, Burundi, Mozambique, Angola, the Democratic Republic of the Congo and Rwanda, Africans have seen wars on a scale of brutality never experienced before. The tendency for self-destruction in some of these countries has been unimaginable. Is Africa basically a collection of violent nations? The international community seems to think so. Africa is generally classified as 'politically unstable' due to the past three decades of formidable and intractable political problems the region has faced.

A NEW MACROECONOMIC FRAMEWORK

A debate has raged for decades about the appropriate macroeconomic framework for Africa to respond to the Washington Consensus. This issue revolves around whether or not justification exists for considering macroeconomic stability as a policy option. We define *macroeconomics* to mean the study of an economy's behaviour of economic aggregates and how it responds to science and technology and financial and human resources when applied as stimuli to productivity and full employment factors of production. This definition is important in understanding the contradictions inherent in the application of macroeconomic stability as a development policy option. It confirms, as we shall see later, that growth and not stability is the critical factor in Africa's development. To understand how macroeconomic dogmatism has negatively impacted African economies, we should state that the structure of the economy, represented by Gross Domestic Product, demonstrates that a macro-economy includes a number of aggregative parameters, such as agriculture, industry, manufacturing, employment and

income. These interact with capital, labour and technology, and together bring about growth and development.

We need to remember that the macroeconomic structure is an all-embracing one in which agents of change constantly interact. Growth would thus entail moving the entire structure from a lower to a higher level. Despite this explanation, pundits from Washington continue to affirm that in order to achieve economic growth 'macroeconomic stability' must first be achieved. There is apparently no obligation on their part to show why the eight most industrialised countries in the world never stabilised their economies first in order to grow. Rather, the opposite took place. Stability was sought only after a satisfactory rate of macroeconomic growth had been achieved.

Extensive research on World Bank/IMF polices has shown that Africa has paid dearly as a result of dogmatic conditions imposed by the Bretton Woods Institutions as a precondition for receiving aid from multilateral and bilateral donor institutions. The main challenge facing African policy-makers lies in the need to convince Washington to consider more seriously local situations far removed from the environments of the IMF and World Bank. In short, Washington must be persuaded that its macroeconomic stability dogma has not generated a rapid rate of economic growth in Africa. The lack of national economic planning, as we shall see later in this text, has for a long time been responsible for the economic paradigm we have. The issue of planning is discussed in a later chapter. In this chapter, we shall examine how macroeconomic dogmatism has impacted national economies and frustrated efforts to generate a rate of growth at levels well above population increases within the shortest possible time.

Stability means zero growth. Therefore, based on African national experiences over the past four decades or so, the fundamental question now is: Does economic growth follow stability or vice versa? Should African countries with per capita GDP of less than USD800 abandon growth, stabilise their

economies at present low levels of growth and then hope to induce growth later? Or should countries reach high levels of growth first, and then seek to stabilise economies at those levels? Answering these questions for Africa will help explain how World Bank and IMF-sponsored programmes are designed, implemented and evaluated by donor institutions. Addressing these issues will also help explain why resumption in growth in Sub-Saharan Africa has been difficult to attain. African governments have implemented structural adjustment programmes and economic policy reforms since the late 1970s, but results on the ground show that most countries are poorer now than before they implemented the SAPs. What then has gone wrong?

Some analysts believe that poverty levels have risen, in part, due to the unyielding Washington Consensus economic principles implemented by Africa. They argue that the high degree of inflexibility in the Bretton Woods Institutions stance has placed African economies in a strait jacket, strangling them.

Many observers, both in and outside Africa, believe that macroeconomic dogmatism has been so embedded in the financing programmes of the World Bank, IMF and other multilateral and bilateral donors, that even where changes are clearly essential, they are resisted in Washington. Essentially, this begins with the ideology that achieving macroeconomic stability is the outcome of growth, a precondition for donor funding for Africa. Within this dogmatic framework, Washington economists claim that for African countries to grow, governments must pursue 'macroeconomic stability'. In other words, according to the Washington Consensus, macroeconomic stability will ensure that the mechanisms of supply and demand align perfectly; economic productivity is assured; the GDP will grow at a sufficient rate to alleviate poverty; new employment opportunities will be created; and, that private investment will increase. Many observers argue that this ideology is flawed and deceptive. Its interpretation is also problematic. An economy cannot be held stable and made to grow simultaneously. In the natural order of things, when a child's

growth is stable, he or she is not growing. In other words, a serious contradiction exists in the concept of growth.

This is the economic direction that Africa has been forced to take over the past fifty years in exchange for donor financing. But observers often ask: If these policies are right for African countries, why do their rates of economic growth continue declining? The answer is simple. By choosing macroeconomic stability as a policy objective, Africa has also chosen 'zero growth'. In other words, real growth simply cannot take place when macroeconomic aggregates are stabilised. The economy cannot remain stable and grow at the same time. In fact, doubts exist as to which should come first – stability or growth. To shed more light on this matter, let us take a look at what economic pundits say and how the macroeconomic dogmatism imposed on Africa by donor-led policy reforms has impacted Africa's growth.

What many observers fail to understand is how Washington economists marry growth with stability. Understanding how this dichotomy arose within the Bretton Woods Institutions and why Africa is reluctant to pursue macroeconomic stability, while being advised to promote growth in macroeconomic parameters, is the focus of this chapter. The next few sections will attempt to explain this situation.

Macroeconomics generally encompasses a wider spectrum of economic aggregates than understood by those touting 'stability'. Variables other than interest rates, exchange rates and inflation are indicators of an economy. Curiously, the IMF's Enhanced Structural Adjustment Facility (ESAF), which included a number of measures intended to enhance macroeconomic growth rather than stabilise it, stressed this notion. Another group of IMF economists also encouraged Africa to achieve significant increases in agricultural producer prices; improvements in extension services, credit availability and transportation services in rural areas; labour-intensive public works projects that would provide employment and income for the poor; increased outlays

for public health and education services that would directly benefit poor and rural areas; well-targeted transfers to vulnerable groups, such as food distribution, food supplements for the urban poor; and, provision of severance pay and/or retraining programmes when adjustment involves laying off workers in the civil service or public enterprises. However, all these suggested measures were followed by demands to stabilise macroeconomic aggregates.

The need to achieve sustainable growth appears throughout Structural Adjustment Programmes (SAP) and Structural Adjustment Facility (SAF) programmes, suggesting that Washington recognised growth rather than stability as critical to economic prosperity. But for unknown reasons they demanded what they do not believe in. In fact, the SAPs and ESAFs implemented between 1981 and 1984 were aimed at addressing the following issues: improving the balance of payments by increasing exports; providing producer price incentives to small farmers; export diversification; investments in wood energy and ethanol production to reduce dependence on imported fuels and reduce deforestation rates; improving price incentives and income policies; review of price and wage control systems in an effort to introduce more flexibility and more frequent adjustments; resource management through the introduction of a public expenditure programme reflecting government's commitment to improve allocation of public resources; and, the mobilisation of revenues through frequent adjustments of tax rates and departmental charges.

Common sense suggests that this calls for the following to be reviewed: domestic borrowing from the banking sector; how to improve financial performance of statutory bodies; the alignment of tariff increases with real increased costs; institutional improvements, including those involved in economic management; how to strengthen planning capacity and improve financial practices of key public and private sector institutions; establishing an investment coordination committee; how to strengthen key planning and budgeting ministries through training and technical assistance; and, the rehabilitation of key public

enterprises in order to improve the financial performance of these institutions.

THE FALLACIES OF MACROECONOMIC STABILITY

In this section a critique of macroeconomic dogmatism is made in order to shed some light on why Africa's economic growth has declined over the decades, even in countries where structural adjustments have been implemented. We shall also explain why the philosophy of stability has failed to generate growth and alleviate poverty in Africa. We have already shown that no empirical evidence supports the case for macroeconomic stability as a policy option for Africa, as opposed to macroeconomic growth. Where then does the misconception come from?

It would appear that the concept of 'stability' became part of the IMF and World Bank economic philosophy through a lack of understanding of macroeconomic dynamics as defined earlier. In essence, stability has been confused with the 'equilibrium' analysis developed by neo-classical economists. Let us clarify this issue.

First, those who propagate 'stability' as a policy option clearly do not understand the stages of economic growth. Confusion arises because economic indicators, such as interest rates, exchange rates and inflation, are considered macroeconomic aggregates. What puzzles many is the notion that any economic malaise facing Africa can be solved through macroeconomic stability. This is because the concept breeds distortions in economic analysis and results in relegating critical issues, such as increased productivity and income growth, to the margins while stability takes centre stage. It is also said that no economy can grow unless first stabilised. As such, price stability in exchange and interest rates is mistakenly represented as macroeconomic stability. As proven over the years, this is completely incorrect and lacks credibility.

In order to eliminate this confusion, we should distinguish between macroeconomic 'indicators' and macroeconomic 'aggregates'.

The Bretton Woods Institutions appear to confuse macroeconomic stability with price stability when they use these interchangeably. This is also incorrect, because the macroeconomic stability represents the state of affairs while price stability is the barometer. Furthermore, proponents of stability fail to see that adjustments in interest rates, exchange rates and inflation – being mere indicators – can help stimulate or stifle macroeconomic growth depending upon the level of growth in the economy concerned. These economists also fail to link, with simple pricing theory, where 'price' is determined at the point of intersection between supply and demand. When an economy is over-heated, misalignments occur, interest rates skyrocket, exchange rates become unstable and 'runaway' inflation takes place. In order to curtail these adverse effects, macroeconomic aggregates must be stimulated. They must grow significantly for new investments to take place in the supply of goods and services so that 'more money does not chase after fewer goods'. Where no changes in the macroeconomic aggregates occur, management of monetary economic policy in general and stability in particular becomes difficult.

The second confusion in the Washington Consensus arises from the misconception of growth theory itself, as applied to the paradigm of macroeconomics. Washington economists have always assumed that growth takes place on its own, provided that the economy is liberalised and stabilised. Nothing is farther from the truth. Under *laissez-faire*, Africa's monetary policy merely responds to market conditions which operate essentially without guidance from monetary authorities and which adversely affect the behaviour of lending policies on commercial banks and financial institutions. What has emerged is the 'fire brigade syndrome'. SAFs and ESAFs, instead of generating growth, result in the implementation of short-term, piece-meal measures to deal with isolated crises resulting from the deep-rooted structural economic problems facing African countries.

Consequently, rather than addressing the poverty crisis, the SAP economic policy reforms have caused Africans to become poorer in general and poverty to become more widespread than before these measures were adopted. Macroeconomic stability dogmatism also reveals a number of contradictions, and may arouse cynicism and confusion, because ESAF and SAP policy reforms have not fulfilled the promise of faster growth and alleviation from poverty. In fact, a large number of independent analysts and observers find themselves asking if SAPs and ESAFs did actually help Africa to grow. The truth is that they did not.

Confusion also exists in Washington, because proponents of 'macroeconomic stability' have been vague and uncertain in defining development policy. They provide no clues as to what will trigger growth and economic transformation to fight poverty. The general concern, therefore, is that African governments were forced to adopt a zero-growth policy at the same time they shifted their policies for achieving macroeconomic growth to ones of stabilisation. Below are some of the contradictions inherent in the stability theory.

First, proponents of 'macroeconomic stability' have failed to explain how stabilisation *per se* stimulates growth. Evidence shows that this has distorted the growth process in Africa. One of the main distortions is that, contrary to expectations, the ESAFs did not result in more efficient mobilisation, allocation and utilisation of resources. This did not occur largely because the focus had been placed on managing expenditure and consumption, instead of managing production and income generation. This is partly explained by the heavy focus on social projects without much attention to income-generating projects. Some observers even say that, since the advent of the SAPs, SAFs and ESAFs, one hears about the 'IMF Programme' or the 'World Bank Programme' for Africa, and not the 'Africa Programme'. In other words, the ownership of the development process has not been in the hands of the African people. Others hold the view that under the on-going economic reforms, accountability and reporting are only

made to these institutions, and not to the people of Africa.

Secondly, the Bretton Woods Institutions have failed to explain the distortion arising from the inability of 'macroeconomic stability' to distribute social welfare to a wider section of the poor. In fact, evidence shows that the poor have become poorer as growth rates have slumped. Some observers fear that, in following this dogma, Africa may have effectively relinquished its commitment to plan for social welfare beyond labelling the programmes as 'pro-poor'. It is further argued that the proponents of 'stability' theory have failed to explain the timeframe in which said stability will begin to generate growth. In other words, there is no exit clause in the 'macroeconomic stability' framework. Should this policy be in place for eternity?

Thirdly, proponents of 'macroeconomic stability' have failed to answer the question of whether Africa's current levels of production, income, employment, trade, industry and exports are high enough to warrant stabilisation. In short, is it realistic to stabilise African economies at such low levels of performance and expect poverty to be eradicated? Washington economists also appear to avoid the burning question as to whether 'stability' is compatible with 'growth'. The policy pronouncements from these institutions have not been clear as to how economic aggregates holding at constant levels pass as sound economic policy.

Fourth, the Washington institutions have not explained why the industrialised countries of Europe, the United States, Canada, Japan, Korea, Australia, Singapore and Taiwan have never adopted 'macroeconomic stability' as a policy option, and yet have attained the high levels of growth they now enjoy. This dichotomy has led some observers to question the purpose of these economic theories that appear to keep the poor of Africa perpetually trapped in the 'vicious circle of poverty'.

STIMULANTS FOR MACROECONOMIC GROWTH

We hold the view that the alternative to macroeconomic stability as a policy option is macroeconomic growth. Experience throughout the developed world shows that an economy must grow in order to create new wealth; new jobs to combat underdevelopment and to eliminate extreme poverty. The truth is no economy can grow while it is being stabilised. What Africa really needs is rapid and sustained macroeconomic growth within a stable political and economic environment. A stable political environment would entail democratic governance, rule of law and human rights. It will also entail participatory democracy. A stable economic environment will entail low interest rates, low inflation and predictable exchange rates. These are no economic aggregates but simply indicators of the state of the economy. Such an environment will bring about macroeconomic growth, create new wealth, generate increased income and create more jobs so people can enjoy the fruits of prosperity. This entails the creation of an environment favouring the innovative capacities of the private sector, both domestic and foreign, to contribute more positively to macroeconomic growth.

An ideal, macroeconomic growth model would, inter alia, have the following characteristics:

The bank rate, interest rate and exchange rate, while not necessarily fixed, should be determined in such a way as to avoid wide fluctuations that destroy investor confidence in the monetary policy and the monetary and financial system.

The rate of inflation, both headline and core, should be kept low, partly through the non-creation of money that generally takes place when budget deficits are monetised by increased government borrowing from the Central Bank, and partly through growth in the industrial and manufacturing sectors.

There should be government commitment to regulate public expenditure and control budget deficits. To that end, the ratio

of public and publicly guaranteed debts to the GDP is kept at a sustainable level by taking into account the state of the economy and avoiding the temptation to borrow beyond what the nation can afford to repay.

The ratio of the budget deficit to GDP should be adequately regulated and there should be mechanisms in place that effectively trigger remedial action once a statutory limit has been reached.

Adequate guarantees should be given to private and corporate investors safeguarding their security as well as that of their families and investments, capital and assets from government expropriations or other interventions that discourage foreign and domestic investments.

On the flipside, an equally important precondition for macroeconomic growth is a stable political environment. This is discussed later, but for now we need to state that in order to achieve user-friendly democratic growth, Africa needs a genuine change in the way democracy and political institutions evolve. This requires political management with a clear vision for fair and equitable distribution of the nation's wealth and sharing power. Political stability should also entail a new sense of direction for Africa based on the real needs and aspirations of the people, harmony, tolerance and understanding between the ruling and opposition political parties.

Elements of political stability that must prevail in Africa in order to attract foreign direct investment include assurance of adequate democratic reform, a guarantee of human rights, the rule of law and the basic freedoms of choice, association, worship and expression. Assurances are also needed that, as a multi-party democracy, the government is accountable to the electorate. Democracy should stand for discipline, hard work and patriotism. Furthermore, a culture must be developed in which the constitution guarantees people at every level of society the freedom to belong to any political party, express differing opinions and to fully

participate in decisions affecting them. In short, a stable political environment is one where political mechanisms are governed by clearly defined and agreed upon 'performance criteria' with full transparency and accountability.

THE LESSONS

We can draw several lessons from this chapter. Firstly, modern macroeconomic growth theories confirm that a country can escape poverty only if it generates and sustains growth rates over a given period of time. Thus, the Bretton Woods Institutions must accept that macroeconomic stability has failed. Furthermore, these institutions must recognise that African policy-makers know what their problems are and how to solve them. What they do not have are the means to do so. This is crucial if African countries are to really own the development process and commit to its implementation. The donor community should review past theories and on-going economic policy reforms to ensure that economic restructuring and transformation programmes do not cause more harm to the African economy than intended. Many observers believe tremendous goodwill exists in the donor communities to assist Africa in eliminating poverty, but this must be demonstrated.

Several developments in recent years support this viewpoint. To begin, we have learned that an incorrect diagnosis can lead to an incorrect prescription and treatment. Therefore, in looking at an alternative growth model suitable for Africa, it is imperative to acknowledge that something has gone wrong in the past. We Africans must also ask ourselves: Have we been making incorrect assumptions and implementing unsuitable adjustment policies? We also need to understand why the economic growth Africa experienced in the 1970s became derailed and why the buoyancy and resilience once enjoyed by countries such as Malawi, Ghana, the Ivory Coast, Senegal, Kenya, Gabon, Southern Rhodesia (Zimbabwe) as well as others has disappeared?

Secondly, if Africa opts for macroeconomic growth, it is imperative that policy-makers take a new approach to ensure that past economic policy failures are not repeated. While countries focus on managing consumption and public expenditure, they must also pay attention to managing production, supply and income generation. This lesson is based on investigations into Bretton Woods Institutions' programmes that have clearly led Africa to adopt and implement inappropriate growth and development policies. A shift towards investment in the production and manufacturing sectors needs to occur in order to support Africa's new social framework. Such a change in the mind-set would mark the beginning of economic reconstruction and new hope for Africa. It would also reverse the paradigm under which Africa continues *to consume what it does not produce and produce what it does not consume.* The donor community must further admit that *laissez- faire* policy has resulted in unrestricted imports, unrealistic factor costing and over-pricing of goods and services which prevent Africa's manufactured and processed goods from being competitive in its own national markets as well as regional and international markets.

Thirdly, one of the failures of macroeconomic stability dogma stems from the fact that the Washington-sponsored SAPs, ESAFs and all other policy reforms have focused on managing set targets for interest rates and inflation, but do not address the structured weakness in agricultural and industrial production that would have allowed Africa to effectively participate in international trade. Past policies focused on symptoms, rather than causes of the problem. These programmes have also not addressed the heavy dependence on a few primary commodities, which in turn causes exchange rates in many African countries to frequently veer off-course each time the mono-cultural economies face a global market crisis or cyclical drought. In another sense, the countries often fail to generate sufficient foreign exchange to meet the country's high demand for imported consumer goods.

This explains why African countries continue to experience difficulties in managing their monetary and fiscal policies that in turn fail to respond to policy stimulants to correct local monetary and financial imbalances. It is also puzzling that despite heroic efforts by many African governments to set things straight, their economies face a lack of private capital and inadequate foreign reserve to buy essential imports, including medicines, school equipment, and fuel.

6

AFRICA IN THE GLOBAL VILLAGE

"The critics of globalisation accuse the Western countries of hypocrisy, and the critics are right. The Western countries have pushed poor countries to eliminate trade barriers, but kept up their own barriers, preventing developing countries from exporting their agricultural products and so depriving them of desperately needed export income… But even when not guilty of hypocrisy, the West has driven the globalisation agenda, ensuring that it garners a disproportionate share of the benefits, at the expense of the developing world. It was not just that the more advanced industrial countries declined to open up their markets to the goods of the developing countries – for instance keeping their quotas on a multitude of goods from textiles to sugar – while insisting that those countries open up their markets to the goods of the wealthier countries; it was not just that the more advanced industrial countries continued to subsidise agriculture, making it difficult for the developing countries to compete, while insisting that the developing countries eliminate their subsidies on industrial goods… The result was that some of the poorest countries in the world were actually made worse off."

(Joseph Stiglitz, Globalization and its discontents, 2002)

THE LANDMINES OF GLOBALISATION

In the preceding chapter, we discussed the Washington Consensus and how this has impacted on the African dream. We shall now advance the discussion by examining how Africa has fared in the global village over the last five decades. One of the main aspirations of African countries is to have an effective voice in matters affecting them in world bodies, such as the United Nations and its

specialised agencies, the World Bank, the International Monetary Fund and the World Trade Organisation. Therefore, in beginning this discussion, we must state that globalisation has great bearing on the realisation of the African dream. Experts have said that the origins of poverty in Africa, as discussed in a preceding chapter, can be traced back to a Northern conspiracy. Such views are based on Africa having been systematically marginalised from access to development finance, information technology, industrialisation, the application of science and technology and foreign direct investment. According to the North, Africa should remain on the periphery, except as suppliers of the minerals, raw materials and agricultural primary commodities needed to drive the economic prosperity of the North. This is not a new phenomenon; it has always been there. The 'Scramble for Africa', sanctioned by the Berlin Conference of 1884, was the beginning of the continent's poverty and underdevelopment. That conference led to large parcels of African land being dominated by the British, Germans, French, Dutch, Belgians, Portuguese, Italians and Spanish. Domination was political, social and economic.

Western European nations, collectively known then as the colonial powers, introduced different systems of political and economic thought, which was reflected in the economic management style of their colonial possessions. Three critical factors, emerging simultaneously, had a profound influence on African economic thought. First, the European powers imposed their economic thought on the African peasantry through constant indoctrination – anything European was superior to anything African. Second, African traditional values and concepts were regarded as 'primitive' or 'backward', and were not to be tolerated in colonial administrations. Thus, Africans lost their sense of origin, identity and pride. Third, to fill the vacuum created in African minds, classical and neo-classical doctrines were touted with impunity, alienating Africa from its own traditions.

Although the colonial powers did not form a homogeneous entity, and were characterised by bitter rivalry and enmity in the

'metropolitan' countries, their policy was the same – to subjugate and marginalise Africa. For the sake of convenience, tribal or ethnic groups were effectively separated or divided according to which colonial power ruled them. Large tribal groups often found themselves split in two by artificial boundaries, grouped into Francophone, Anglophone, or Lusophone categories, depending on whether they were ruled by the French, British or Portuguese respectively. These divisions largely determined Africa's political and economic style of governance later on.

The colonial concepts of development, as seen by the different European powers, were also alien to African traditions and culture. As A.J. Christopher asserted in Colonial Africa (Christopher, 1984), the impoverishment of African nations had been the policy of the colonial rulers, and this continued even after attaining political independence. African historians concur that colonialism left an indelible but negative mark on African economic thought. African economic behaviour, as reflected in development policies and objectives, shows a clear symbiosis of attitudes and biases with former colonial rulers. This link must be understood within the context of the colonial era, a time when the economic and social development of colonial territories was peripheral and served only for the industrial development of the metropolitan countries. It took little time for colonial possessions to become 'marginalised', both in terms of global development objectives and priorities as well as in terms of how their trade with the metropolis was perceived.

Therefore, the economic development of the colonies was never envisaged as a policy objective by the colonial powers, but merely as a way to cover up their plans for exploitation. In fact, later, during the early post-colonial era, the same powers devised the 'trickle-down theory' whose main objective was the marginalisation of Africa's development. This reinforced the view that Africa's development and prosperity was not a simultaneous occurrence with what was happening in the 'metropolitan' countries, but rather a consequence of the North's recovery.

Africans have now realised that lowering them to the level of an economic tool used only for colonial exploitation was the cornerstone of colonial philosophy and the result of deliberate policy. The general attitude during the colonial era was that the Black man only existed to serve Whites. Due to this derogatory attitude, the primary objective of institutions for social, political and economic development was to maintain a source of cheap African labour for the plantations and mines producing raw materials for industries in Europe. This view was confirmed by some Western economists, especially neo-colonials. An example is the statement made by Sir Harry Hamilton Johnston of Nyasaland (now Malawi) who, in 1913 in the book on *A History of the Colonisation of Africa by Alien Races*, had this to say: 'The Negro more than any other human type, has been marked out by his mental and physical characteristics as the servant of other races… He is possessed of great physical strength, docility, cheerfulness of disposition, a short memory of sorrows and just dealing… He has little or no race-fellowship, that is to say, he has no sympathy for the other Negroes; he recognises, follows, and imitates his master independently of any race affinities.' (Johnston, 2006). This provides testimony for the philosophy that marginalised Africa.

Some Europeans regarded Africans as brainless creatures with an ego much similar to that of a child. This led to the opinions expressed in history textbooks and other literary works that anything of value in Africa was inspired by people outside the continent, especially the White races. Lord Leverhulme, Chairman of Lever Brothers (West Africa, 1924), was an ardent advocate of this view, arguing in his statement to the London Chamber of Commerce in 1924, 'I am certain that the West African races have to be treated very much as one would treat children when they are immature and underdeveloped… I say this with my little experience, that the African native will be happier, produce the best, and live under the larger conditions of prosperity when his labour is directed and organised by his white brother who has all these million years started ahead of him.'

By and large, this European attitude has not changed with political independence in Africa, and the economic philosophy resulting from it remains unaltered. There is evidence to show that the North still conspires to keep Africa perpetually underdeveloped. For all intents and purposes, governance is designed so that African governments remain without a sense of direction, either politically, socially or economically. In fact under the World Bank's Structural Adjustment Programmes, no country was permitted to make independent choices and options in its development policy. All development now tends to be dictated by the donor communities through the World Bank and the IMF, and because of this philosophy, the African is expected to acquire a white man's brain and a white man's mentality to be internationally accepted.

THE COST OF MARGINALISM

Marginalism is a system of governance by which the Western powers relegate Africa to the periphery of global economic, financial, monetary and trade policies. In that regard, Africa has paid a high price because of marginalisation. First, the industrialised world has not always taken Africa seriously. For instance, Gunnar Myrdal in *The Challenge of World Poverty* discusses how the North views the relationship between developing Africa's mental attitudes and justifying European exploitation of the African continent. He reveals that some Westerners believed that an average African prefers leisure over work. This implies that, given the chance, an average African would prefer idleness and merriment over earning a hard day's wages. This idea was a central theme in colonial literature and of the neo-colonial schools of sociology and anthropology. Myrdal further shows that many Western economists believe that 'the peoples in the backward regions were so constituted to react differently from Europeans; they normally did not respond positively to opportunities for improving their income and level of living. Their tendency towards idleness and inefficiency, and their reluctance to seek wage employment, were seen to be an

expression of their 'very limited economic horizons, survival-mindedness, self-sufficiency, carefree disposition and preference for a leisurely life' (Myrdal, 1970).

This idea was also echoed by the Dutch Sociologist, J.H. Boeke, in *The Structure of the Netherlands Economy* (Boeke, 1942) in which he provided Europe an excuse to neglect the economic plight of people under their colonial or economic control on the pretext that they were helpless. This type of thinking provided a form of spiritual absolution for the iniquities committed against Africa in the greedy exploitation of its resources at the expense of its inhabitants. What appears to have been conveniently ignored is that given improved working conditions and environment, Africans have dramatically increased their performance efficiency. As things stood, labour was deprived of the necessary basics, such as good and adequate food, protective clothing, medical facilities, good shelter and relevant education, that would make it more productive. In the absence of basic necessities, it is hardly humane to expect workers, irrespective of their race, to be productive within the understanding of this Western economic philosophy. The post-independence philosophy of self-reliance, as we shall see in a later chapter, therefore seeks to develop new values and instil new faith in African labour so it may regain confidence and become more productive.

Some Western writers assert that Africans are never inclined to work as propaganda meant to demean the African people. The truth is that the willingness of people in a society to work or rally behind a national cause depends largely upon how well-informed people in that society view any such development in terms of their own welfare. A measurable degree of bitterness exists in Africa because the North as a whole has not realised or accepted that Africans, as human beings, have a great sense of pride and independence. Moreover, because colonialists used force to compel people to work on their plantations and road constructions, in their mines and factories, it is only natural people displayed a reluctance to work, but this reluctance should not be mistaken as a preference for leisure.

Another hidden cost of marginalisation was exploitation and the development of clear class distinctions between Europeans and their Black counterparts. In all the colonies, Europeans enjoyed standards of welfare far above those of the indigenous peoples under the protection of colonial governments. Development was for Whites and a few of their black henchmen. Faced with such undemocratic exploitation, it would hardly have been realistic to expect Africans to fully cooperate with the very powers exploiting them. Colonial dogmatism also failed to understand that the concepts of work and leisure in African traditional societies were conceived, spread and implemented through a spirit of communalism and mass participation. All citizens knew they had a stake in the fruits of their labour. Evidence simply does not support the theory that Africans are lazy or incapable of governing themselves, and therefore it is a product of bias and ignorance regarding the real potential of African talent.

Another negative consequence of marginalisation was the type of development and trade policies that emerged in Africa. These resulted from a series of measures taken in production and distribution structures adopted by the colonial administrations in pursuit of certain objectives. Political domination was reinforced by mercantilism as the basis for colonial policy, especially after the Industrial Revolution. The expansion of trade for much of colonial Africa was governed by two principal instruments, *Imperial Preference*, under the *British Commonwealth* (later the Commonwealth), and arrangements under the French Community. Under the Imperial Preference, preferential tariff rates were granted to goods originating from the British Empire. This policy promoted the production and export of agricultural raw materials and minerals from colonial possessions while they imported manufactured consumption and capital goods from Europe. This type of exchange acquired even greater significance during the Second World War, and later during the Korean War, when raw materials were required to sustain war efforts.

The *French Community* had similar ideas, which determined various forms of association between France and its overseas colonies. The French President presided over community affairs and had jurisdiction over a whole range of political and economic policies, including the exploitation of 'strategic' raw materials, transport, communications and trade. In fact, annual meetings of Francophone Africa were designed as a counterforce to those of the Commonwealth.

The Portuguese, on the other hand, regarded their African colonies as overseas provinces, implying their full integration with Portugal. This was cemented through the doctrine of Assimilados under which a few handpicked Africans were allowed to become Portuguese citizens and intermarry with white Portuguese.

From these colonial doctrines of marginalism, we can deduce that colonial development strategies were based on the following basic tenets.

First, they kept their colonies and territories as producers and exporters of agricultural raw materials and minerals to support expanded industrial activity in the metropolitan countries generated by the Industrial Revolution. No processing of primary commodities was permitted in the colonial territories except that which reduced weight or bulk of the given commodity for shipment.

Second, they concentrated on production of cash crops for export while destroying indigenous production capacity, especially of staple foods. Such policy was often enforced under threat of imprisonment or banishment to 'reserve areas' earmarked for natives.

Third, they imported into the colonies and territories all manufactured, consumption and capital goods they required with no value addition. This guaranteed adequate and ever-expanding markets for European goods in Africa. So perfect was this strategy and so religiously executed was this policy of marginalisation that,

as time passed, Africa found itself in a situation where it 'produced what it did not consume and consumed what it did not produce'.

Fourth, they impoverished rural populations through pervasive taxation such as hut tax, poll tax, labour tax, etc. Such tax was generally paid for in the form of labour. This created not only a cheap labour force for White farmers and miners, but also introduced hunger and famine, because labourers were usually required to be away precisely at the time when they needed to tend their own farms.

The overall impact of marginalism was that Africa, especially south of the Sahara, became shackled and completely dependent on the metropolitan countries for its supply of virtually all food – a situation that persists today. Therefore, in the minds of observers, Africans were reduced to the status of hewers of wood and drawers of water, exporters of raw materials and importers of manufactured goods.

A striking characteristic of this eco-system was that no proper foundations were laid to allow African countries to effectively develop their own economies without depending on external support. The preponderance of commodities can be illustrated by the fact that cash crops (coffee, cocoa, tobacco, tea, groundnuts, palm oils), minerals (copper, iron ore, tin, bauxite, gold, diamonds, chrome, cobalt, platinum, etc.) and energy and fuels (crude oil, natural gas and coal) have always dominated African exports.

An attempt to rectify this situation came with African political independence. A new era of awareness emerged, characterised by a strong desire to change the *status quo* in trade as well as in the entire sphere of economic development. New policies for the diversification of production of trade were proposed. These were seen both as a means for consolidating political independence, and more importantly as a means of ensuring a faster rate of de-marginalisation. The post-independence period was also characterised by acute awareness by the newly established African governments that the lopsided structure

of external trade, if continued, would have an adverse impact on their development prospects. Leaders recognised and attempted to change some of the industrial and trade policies inherited from the colonial regimes. However, the former colonial powers, now supported by other powers from the North through the World Bank and the IMF, were determined to block any attempt to change the status quo.

CLASSICAL DOGMATISM

The politics of domination in Africa were reinforced by the collapse of traditionalism, which occurred when classical and neo-classical economic thought gained a foothold in Africa. Evidence also shows that the classical school of economic thought, as expressed by Adam Smith in Wealth of Nations (Smith, 1776) and later by David Ricardo, John Stuart Mill, Jean-Baptiste Say and Thomas R. Malthus, exerted great influence and moulded political philosophy in a number of African countries. According to this philosophy, a human being, as an individual, as well as the society in which he lives, prospers most through a system of economic freedom – *laissez-faire* – and through individual private property ownership outside government control. This idea found supporters in multilateral development financing institutions. These institutions continue to believe that only the individual freedom of ownership will unleash the market forces necessary to increase productivity, and thus, the general economic advancement of a nation as a whole.

Another form of neo-classical dogmatism resulting in Africa's marginalisation is generally associated with writers, such as Alfred Marshall (*Principles of Economics*, 1890) and more recently Western writers such as Rostow (*Stages of Economic growth),* who, though basically agreeing with the classical writers, argued that the system of laissez-faire has serious limitations as an economic doctrine and that some form of economic planning is desirable. Apart from the

mathematical analysis introduced in the neo-classical discussions, one important contribution to this school of thought was the *Theory of Value.* According to this theory, the value of any given commodity is determined by the interaction between its demand and supply at the point where the demand and supply curves intersect. This represents the point of equilibrium or maximum exchange for that commodity (*A Reconsideration of the Theory of Value*, R.G.D. Allen, 1934).

The influence of this school of thought on African economic thinking is evident in the analysis of distribution of goods and services as well as in price theory, where demand for a given commodity is said to be the main determinant of price elasticity for that commodity. For this reason, the prices of African commodities are not determined by producers, but rather by consumers in foreign lands through manipulated demand functions in the commodity markets.

Another classical school of thought that has greatly influenced modern African political systems is Marxism, developed by Karl Marx in *Das Kapital* (Marx, 1867) and subsequently by Marx's African followers. According to this theory, the decline of capitalism becomes inevitable through the rise of socialism, which occurs when the proletariat, or the oppressed working class, eventually gains control over the production and distribution process through a representative government of the people. A premise behind this theory is that capitalism results in the exploitation of the masses by a few; therefore, capitalism cannot coexist with socialism in the same society. Later disciples of Marxism developed other ideologies, such as communism, Leninism, and subsequently Maoist communism, which were not without admirers among some African political leaders. It is no coincidence that many governments under military rule in Africa and the budding economists bred under these doctrines vehemently argued the case for socialism, Marxism or communism as the only means of eradicating capitalistic exploitation by Western European countries.

The blending of neo-classical principles and traditionalism resulted in the creation of peculiar African political thought that neither fit in with capitalist ideology as practised in the countries of the OECD, nor with communism as practiced in the former socialist countries of Eastern Europe, notably the defunct Soviet Union. This unique African political thought resulted in the introduction of African socialism, an expression of frustration caused by the inability of both the West and the East to provide an economic ideology that embraced traditionalism or rescue the masses from illiteracy, hunger, disease and malnutrition. This is true even for those African countries openly professing to be ardent communists. For instance, the political management systems that emerged in Guinea, Tanzania, Zambia, Zimbabwe and Algeria in the immediate post-colonial era were the result of this mix, while Mengistu Haile Mariam of Ethiopia and earlier Guinea's Sekou Toure unsuccessfully tried hard-core communism as a way out of their respective economic quagmires.

The reason behind this African phenomenon, as some writers would argue, is that neither Euro-American economic philosophy nor communist doctrines have ever served as effective instruments for Africa's economic management, because neither provides a solution to economic problems. This has now prompted some African economists to try alternative economic philosophies that take into account the real development requirements of the continent, a radical departure from existing traditional economic principles.

Economic development, according to emerging African economic thought, cannot be brought about through a slow process of transformation. There must be rapid change in institutions and other policies, which should have well-defined development objectives. In order to understand Africa's struggle with marginalisation, we must emphasise that the economic, social, technological, cultural and political development of nations can come about only when the African people have the scientific and technical tools necessary to identify with precision their

development problems, decide on the most appropriate strategies to resolve them and apply effective technologies developed by themselves. As David Wasawo points out in *Impact of Science on Society*, 'There is no evidence to suggest that the process leading to scientific achievement and technological progress is intrinsically the monopoly of certain groups of people or nations. On the contrary, the history of scientific development and technological innovation over the centuries indicates the universality of these activities within the human family.' (Wasawo, 1973)

Africans now generally agree that the application of borrowed economic principles has resulted in the perpetual underdevelopment of African political, economic and social institutions. In fact, some suspect that because of a desire to perpetuate ruthless colonial systems, the New International Economic Order, on which so much has been written over the past three decades, was devised by the North to keep Africa a perpetual supplier of minerals and raw materials and a market for finished goods from industrialised countries. Samir Amin (Development Forum, 1972) said, 'The Euro-American school of economists would have us believe that the prosperity of the world depends on the adoption of Western institutions in developing countries.' He argued that this view is incorrect because it overlooks the fact that the evolution of human societies cannot progress through the mere extension of institutions from one nation to another or across cultural frontiers. He stated that sustainable growth can only take place if indigenous creativity exists to wrench the formerly dependent society from the bonds that inhibit real growth.

Samir Amin also undermined that, contrary to the expectations that Africa would benefit from the North, development problems in Africa seem to have become progressively worse over the past four decades. The reason is that economic development of Africa cannot be achieved by 'transplanting' ideologies and institutions from overseas. He advocated a serious re-examination of the premises on which development is based, and challenged Western concepts of development, whether they are essential

for African economic progress. However, no attempt has been genuinely made so far to redefine African value concepts so as to establish true African institutions based on true African economic doctrines. The only departure from existing economic thought has consisted in bringing awareness to Africans that they belong to Africa. However, mere awareness does not introduce enough dynamism to development, the necessary variables to free the African mind from external control and machination.

Looked at from another standpoint, the fortuitous interplay of classical economic philosophy and colonial economic policies resulted in the emergence of a class of political elites whom some writers mercilessly describe as 'loud-speakers' for Euro-American economic philosophies. For example, some emerging democracies in Africa have exhibited great enthusiasm in adopting IMF/World Bank SAPs, which really boggles the mind. These economists continue to faithfully follow in the footsteps of former colonial administrators, regardless of the price the people have to pay. By and large, the colonial administrative machinery continues to be preserved long after independence and the former hard-core colonialists continue to wield extensive influence in modern African democracies through bilateral and multilateral technical assistance. This reinforces colonial economic doctrines, promoting the creation of minority privileged classes through privatisation within a sea of poverty and ignorance. This group of Africans, with the support of foreign investors who perpetuate the economic exploitation of the masses, generally controls political and economic decisions. Furthermore, these politicians and economists have not only hijacked the economic development process, but have also linked Africa and the former metropolitan powers in such a way that no one dares disturb the status quo. Therefore, marginalisation persists.

The work of classical economists has also had a tremendous impact on the marginalisation of Africa in the global development process. This dogma continues its influence by advocating that the means of production in Africa still be owned and controlled

by investors from the former metropolitan powers. As European industries developed, African economies continued to supply raw materials and minerals. A good example of this is where privatisation is advocated without any assurance that indigenous African entrepreneurs have the capacity to buy ventures from the public sector. As such, Africa remains vulnerable to exploitation and domination, because the internalisation of the development process is being frustrated by a new breed of foreign investors.

Classical dogmatism has also resulted in the United Nations and the World Bank accepting the global division categorising the world into 'developed' and 'developing', or more punitively 'advanced' and 'backward', countries. In fact, the concept of 'First', 'Second' and 'Third World' also originated with this ideology despite geography teaching us that the Earth is one world. Moreover, if the theory of human evolution is valid, then Africa should be the 'First World' since Africa is undisputedly the 'cradle of mankind'.

One should therefore bear in mind that because European nations attained economic advancement much earlier than Africa, it has always been advantageous for them to exploit the less fortunate Africa to their advantage. Furthermore, because of a policy of subjugation, the poor communities of Africa continue being deprived of the means to develop their natural resources, and are thus reduced to begging for their survival, either individually or collectively. This is demonstrated by the fact that donor communities are quick to provide food aid, but reluctant to provide aid for food production or storage.

In another sense, Jawaharlal Nehru in *Discovery of India 1956* explained the innocuous political link between Europe and Africa resulting in natural resources being siphoned out of this continent to develop other lands. This occurred through a series of devious policies seemingly intended to develop former colonial territories, but which in practice only intensified their impoverishment.

He said:

> "The transition from a pre-industrialist economy to an economy of capitalist industrialism, involves a great hardship and heavy cost in human suffering borne by masses of people. This was especially so in the early days when no efforts were made to plan such transition or to lessen its evil results and everything was left to individual initiative… The cost was indeed paid, and paid in full by others, particularly by the people of Africa, by famine and death and vast unemployment. It may be said that a great part of the costs of transition to industrialism in Western Europe was paid for by Africa and the other colonial countries, whose economy was dominated by the European powers."

SURROGATE ECONOMISTS

African global relations have also been greatly influenced over the past five decades by the emergence of an army of 'surrogate economists' from the OECD countries. This is an interesting characteristic of marginalism, and features prominently in the genesis of African economic thought. A 'surrogate economist' is an expatriate who, like a mercenary, has been assigned to an African country by way of former colonial connections or as part of bilateral or multilateral aid and technical assistance programmes. A surrogate economist may be an ambassador, high commissioner, expert or adviser to Africa who ostensibly comes to 'assist' the host country in development, even though he or she may not necessarily subscribe to a particular government policy. However, the hidden agenda is to prevent African independent thinking by shooting down any idea not emanating from the donor communities. The surrogate becomes the new *protégé* of African economic interests and may even claim to speak on behalf of the oppressed masses. As such, a surrogate always enjoys high prestige in African elite circles and wields unprecedented influence over the ruling class. Some surrogates even have direct contact, and often dine, with heads of state and greatly influence government decisions on national growth and development.

To understand how this works, we must recall that the destruction of traditionalism left a gap in economic thought that some political leaders preferred to fill with imported technocrats. Following the independence of most African countries, the number of expatriates rose in an unprecedented manner. John Perkins attests to this in his book, *Confessions of an Economic Hitman (the shocking inside story of how America took over the world, 2004)*:

> "The real story of modern empire – of the corporatocracy that exploits desperate people and is executing history's most brutal, selfish, and ultimately self-destructive resource-grab – has little to do with what was exposed in the newspapers that morning and has everything to do with us. And that, of course, explains why we have such difficulty listening to the real story. We prefer to believe the myth that thousands of years of human social evolution has finally perfected the ideal economic system, rather than to face the fact that we have merely brought into a false concept and accepted it as gospel. We have convinced ourselves that all economic growth benefits humankind and that the greater the growth, the more widespread the benefits… The real story is that we are living a lie."

This profound observation suggests that surrogate economists come to Africa not to assist in development, or simply out of love for Africa and its people, but primarily to protect the interests of their home governments. They are usually assigned to Africa either on projects funded by bilateral or multilateral aid agencies or serve the African civil service directly as hand-picked advisers or technicians. Sometimes they may find themselves attached to universities or research and development institutions, or they may even be assigned as advisers to a head of state and government.

Surrogate economists are usually highly intelligent, cunning, flexible, and readily adapt to the local, political 'elite' philosophy of development. In order to gain favour of the ruling elite, they quickly identify themselves with the country's current economic thinking, and thereby gain unrestricted access, even to heads of state – a privilege often denied to indigenous African economists. The sad part of the story is that these economists, equipped with

little knowledge of the country, soon write treatises and blueprints on African economic governance which they easily distribute through their powerful media contacts in their home countries. Despite their limited knowledge of Africa, these surrogate economists write on a broad range of subjects, including African economic planning, collective self-reliance, regional economic integration, history, democracy, human rights, the rule of law, politics, sociology, anthropology, employment and rural development.

The writings of surrogate economists readily find a noble place on the shelves of political leadership, African university libraries and institutions of higher learning, and become guidelines for African policy-makers. In general, no one generally questions the wisdom or experience of such surrogates, even though in a number of instances their understanding of local issues is shallow and their recommendations may not be readily applicable to African economic situations. Even today, assumptions about African development issues are based on the 'Washington Consensus' whose policies are generally far removed from the reality of African countries. Surrogates have no real stake in Africa. They are apt to make wrong assumptions, prescribe wrong solutions and get wrong results. When the going gets tough, surrogates can always be withdrawn by their sponsors and assigned to another country, or return to their sponsoring institution.

The major concern of African governments is that, if they challenge such surrogates, their actions might be perceived as a challenge to the donors, and that their response might be harsh. Africans often receive threats of withdrawal of aid because of attempts to adopt independent policies. While a few of these surrogates have indeed made positive contributions to African development efforts, a large number of them often mislead African policymakers and political leadership. It is, therefore, understandable that many African scholars now believe that some of the development problems facing Africa today can be attributed to the advice administered by these surrogate economists.

This explains why, after so many years of applying the neo-classical concepts, Africa remains in the grip of abject poverty.

A consensus is now emerging in Africa that the advice given by surrogate economists has been a major factor in the narrowing of development options and marginalisation of Africa. We must stress here that over the past four decades growth rates have been faster in countries that have implemented home-grown policies than those in African countries which have religiously followed the Washington Consensus development philosophy. Some doctrines imported into Africa are used to reorder the African people's economic objectives and priorities in such a way as to keep them perpetually dependent on the OECD.

THE POLITICS OF DOMINATION

The discussion on the politics of domination centres on how the framework for development planning in both capitalist and socialist systems would provide appropriate solutions to abject poverty. In Africa today, over four-fifths of the population share a common bondage – abject poverty. These are the people 'for whom the bell tolls'. Day in and day out, hunger, malnutrition and disease claim thousands of lives, and many among those who survive are too crippled, debilitated, mutilated or mentally ill to contribute significantly to Africa's development objectives. This is the result of economic mismanagement, corruption and anarchy.

Most African countries would therefore argue that the main causes of Africa's developmental crises are not only the disgraceful political and economic systems shackling them to industrialised countries, but also the absence of visible growth to remove such poverty. The deciding factor in development is who owns and controls the resources, because the same group of people also directs development policy and political reforms.

It would be useful then, in order to illustrate this inadequacy, to examine the definition of poverty. Broadly speaking, we can distinguish two basic types of poverty relevant to the African situation: abject poverty and relative poverty. Abject poverty refers to a condition in which people are so deprived that each day they do not know what to do to earn incomes or where to find food, what to wear or where to rest their heads at night. These people are constantly plagued by hunger, malnutrition and disease. Julius Nyerere in *Co-operation Canada, 1973* drew a functional relationship between the conditions of the rich and the poor. He said that 'The poverty of the poor is a function of (the) wealth of the rich. Each time he buys a loaf of bread, a starving man contributes to the wealth of a baker who already lives in luxury.' This situation applies to countries producing primary commodities. Each time they export a ton of primary commodities in order to buy a few manufactured goods, they become more impoverished. This constitutes absolute poverty.

Relative poverty, on the other hand, has significance in Africa when comparing one country to another. Some countries are better off than others in terms of known tools for defining levels of development, such as per capita income ratios, the availability of public service facilities and increased employment opportunities. Relative poverty has even greater significance when comparing different communities or areas within a country. It becomes a useful tool to explain the nature and consequences of the development crisis, showing inequities in resource allocations, income distribution and the spread of development. We can thus assert that relative poverty exists due to distortions in the distribution of income and natural resources within a given society. It is also a condition resulting from the exploitation of the people.

For instance, Ragnar Nurkse in *Problems of Capital Formation* (Nurkse, 1953) believed that a poor country cannot provide employment for the masses if they continue to languish in subsistence or below tolerable standards of living. He further stated that the low levels of economic performance and mass

unemployment cause most of the population to become unproductive and results in limited purchasing power, and low purchasing power leads to low overall production. Consequently, unemployment continues keeping the masses in perpetual abject poverty. Nurkse describes this 'vicious circle of poverty' as a terribly powerful monster that cannot be slain by internally reorganising the economic system. He claims that a country needs external doses of capital to break the circle. This might explain why some Africans believe that development can only be attained with foreign capital. They fail to realise that as long as countries continue to depend on foreign aid, poverty will continue to exist.

Statistics indicate that, although the flow of external resources to Africa has increased over the past decade, growth rates have declined. The problem must, therefore, lie elsewhere. What we are generally not told is whether or not there are opportunities for redefining economic principles, which would call for radical internal measures that would free economies from this 'vicious circle of poverty'. The experience of some previously non-industrialised countries, now able to industrialise, shows that the 'vicious circle' is not an intrinsic characteristic of so-called poor economies, but is rather a state of mind. Empirical evidence shows that changes in the internal structures of production and distribution can help a country break the 'vicious circle'. Senegal, Mauritius, Malawi, Egypt, Morocco, Nigeria and Algeria, to name only a few countries, are perfect examples of African nations that have successfully reordered their priorities by internalising the development process to bring about sustainable growth.

THE AFRICAN RESPONSE

What is Africa's response to marginalisation? In order to understand the African response, let us now look at other forms of global partnerships for Africa. First, we need to realise that foreign economic management doctrines do not always remove

contradictions in economic development policies. For instance, a growing school of thought (Ali Mazrui, et al) believes that Africa's instruction in foreign development ideologies, such as capitalism, Marxism and socialism, has alienated policy-makers from the people and the foundations of true African development philosophy. These scholars argue that the Americans, British, French, Germans, Chinese, Japanese and Indians first established their own national identities, focusing on their traditions and heritage, to serve as a foundation for their development objectives and priorities. Africa, on the other hand, lost its identity in search of Western or Eastern ideologies, even though Africa subscribes to principles of non-alignment. While international organisations tried to fill the vacuum left after the departure of colonial rulers, most countries in effect became protégés of neo-classical dogmatism.

The direct and indirect influence of classical and neo-classical philosophies on politics and statecraft in Africa can be understood from an analysis of (a) how they influenced national development plans, and (b) how they influenced the conceptualisation of African regional development strategies.

At the national level, ample evidence suggests that another effective response to marginalism and the need for African economic thought would be to strive for home-based growth perspectives. Planning for the socio-economic transformation of African economies should be a clear mix of development philosophies and political considerations leading to the elimination of mass poverty. Choosing a capitalist or Marxist development philosophy is a political option. However, there is general agreement that the economic development process requires orchestration to meet specific objectives, such as the elimination of illiteracy, hunger, poverty, disease, malnutrition and maternal and infant mortality. There appears to be no disillusionment that development planning will in itself resolve the enormous problems facing the continent. However, it is self-evident that effective control, allocation and the utilisation of natural resources by domestic institutions, through an agreed upon development programme, offer the best alternative

in solving Africa's development problems.

A consensus has long existed that development requires foresight and a carefully drawn strategy that clearly sets targets to be attained over an agreed period of time, and how such targets will be met (Journal of Development Planning, 1969). This is now known as perspective planning. In other words, no country can emerge from the 'zero-growth option' unless deliberate economic policies towards de-marginalisation are implemented over a given time horizon.

The African response is to remove the basic shortcomings of colonially derived development planning, which in general lacks depth and perception. At the time conventional national development plans, or piecemeal plans, are not adequate to provide clearly defined long-term perspectives. In that regard, a country must be in a position to know what industries it will have 20 years hence; what type of infrastructure is needed to support such industries; what level of employment and what types of management skills and technological expertise will be essential; what the state of exports of primary commodities and the level of agricultural food processing will be; whether the country can get out of the 'least developed' club, and so on. These are crucial issues, which African policy-makers have not adequately dealt with in the past. We make the point that if these questions cannot be adequately answered, poverty will persist.

It is interesting to observe that, since the 1970s, many African governments have adopted the 'state-preference approach' to growth, placing the entire development machinery in the hands of the government in order to counteract marginalisation. A conceptual understanding of state preferences for a given option governing its economic behaviour is an interesting aspect of modern development economics for African countries, where a traditional *laissez-faire* type of economics gave way to more state regulation and control of economic and investment decisions,

or the so-called commanding heights. This is also governed by social welfare considerations.

In order to examine the factors governing state preference models, we need to make some vital and fundamental observations. These will help us isolate economic factors, which are readily quantifiable, from social-political factors, which can only be expressed in qualitative terms and hence involve value judgments.

First, state planners have wrestled with problems arising from the 'dualistic' nature of most African economies – the modern, or export, sector and the informal sector. The 'export' sector produces one or two primary commodities and a few manufactured goods of lesser significance, both in terms of their contribution to export earnings and to the GDP. At the same time, there is a large 'informal' sector, which does not enter the development equation. This is relevant not only because of the preponderance of such commodities in the economy, but also because countries must import large quantities of manufactured consumption goods, heavy capital goods, such as machinery and equipment for the mining industry and for agriculture, and food. These use up a large portion of the income earned from the export of the single commodity and the informal sector, thereby reducing resources for social infrastructure such as schools, clinics and hospitals.

Second, in order for the State to maximise welfare of the society, it must recognise that at any given point in time all goods traded by any African country face a fixed world market price, and that acting on its own, a country cannot change the situation. Hence, outside influences must be taken as a given. Furthermore, over the long period, prices are subject to wide fluctuations, which are reflected in reduced export earnings for the country. Economic marginalism would, in this same sense, be reflected by a highly modernised and capitalised external sector, controlled mainly by expatriates, especially with regard to investment

decisions and the application of technology and research, while the domestic or informal sector is mainly comprised of agricultural activities geared particularly to subsistence at the village level. In essence, the small external trade sector, comprised of capital and consumption goods and agricultural primary commodities, has little influence on the lifestyles of rural communities.

Third, state controls recognise that because African countries import most of their manufactured consumption requirements, intermediate and capital goods, the total demand in the public and private sector consumption matched against total production will determine the balance – either a surplus or deficit – and should be adjusted via exports or imports accordingly. Trade flows, in this case, would be determined by an excess of domestic demand over domestic production, which would invariably result in imports. This observation is necessary because local manufacturers play a relatively insignificant role in the export trade due to the narrow manufacturing base. However, it is assumed that over a very long period countries would begin to manufacture a growing number of competitive consumption and intermediate goods that might find their way into international trade. For the present, however, any shortfall in domestic production is satisfied by imports at prices Africa can hardly afford.

It is also common knowledge that heavy industrial and agricultural projects have a very long gestation period. For example, it takes more than seven years to harvest good coffee for commercial purposes, four to six years to grow tea commercially, and it takes many years before an iron and steel or a petro-chemical complex begins to yield profits. In fact, in the case of infrastructure, such as a railway system, it takes many years to construct and operate it. Therefore, politicians have to decide whether to go for quick fixes or well-planned and lasting solutions. Admittedly, this is not a clear-cut choice. However, it should be evident that a five-year development plan is better than no plan at all, but is not adequate to fully assess the benefits of projects initiated over that period. Moreover, 'technological jumps'

or sociological changes between two plan periods might occur, making the monitoring and evaluation of large-scale projects rather difficult.

For this reason, many African planners feel that African governments should seriously consider adopting long-term perspective plans spanning at least twenty years, instead of the conventional three to five-year plans that evolved immediately after the colonial period ended. In fact, the World Bank in its Long Term Perspective Study admitted the need for perspective planning. This would provide ample time to meaningfully assess results from development investments. In addition, countries should attempt to have a 30-year forecast or projection for development, gearing their manpower and natural resources accordingly. Another innovation called for is the introduction of a project 'mid-term' review and evaluation under long-term plans. These would be conducted every five years to ensure that outputs are in line with initial targets and objectives.

It has also long been agreed (ECA's Africa Strategy for Development in the 1970s) that the choice of planning requires the effective marshalling of domestic and external investment resources, the mobilisation of human resources for development and the reduction of heavy dependence on external factors to initiate the process of development with further-reaching political implications than evident on the surface. In fact, as Dudley Seers pointed out in *Communications Series* (Seers, 1969), the removal of poverty, inequality and unemployment are important considerations in planning for development. He went on to argue that a development plan that does not provide a solution to these problems cannot be called a plan. Defining a new development policy based on financing outside the traditional Euro-American framework is therefore a difficult option. For two decades, most African economies have adopted crisis management, a poor substitute for planning. This has compelled them to adopt short-term solutions to deep structural problems. Consequently, they tend to move in circles,

very much like a cat chasing its own tail.

NEW GLOBAL PARTNERSHIPS

The preceding analysis reveals an interesting fact – globalisation has a lot to do with choosing a development strategy. Letwin (*Daedalus*, 1963) confirmed the view that colonialism, classical and neo-classical economic principles left an almost indelible imprint in the minds of present-day African indigenous economists, an imprint reflected in their choice of development strategies. One of the greatest impacts has been the persistent belief that Africa can only experience quick development by using foreign institutions and ideologies. Consequently, choices of development philosophy have been profoundly influenced by whether resources from the North can be mobilised or not. Where such resources are not forthcoming, development has suffered. So strong was this belief that specific regional institutions had to be created to spread this ideology. This has been more pronounced in Southern African Development Coordination Conference (SADC) countries, where the entire development path had been based on external resource availability.

When looking at the 'zero-growth' phenomenon in most African countries, one cannot fail to recognise that any effort to integrate traditionalism with modern theories of economic growth faces the problem of little empirical data and a lack of understanding of macroeconomic dynamics. Even within a purely micro-economic analytical framework, the problem remains, to the extent that what one does is juxtapose the methodological framework with some traditional knowledge, graphical presentation and algebraic formulae that approximate what one might say when applying growth theories to the real world of African economics. This calls for further elaboration. In another sense, the macroeconomic theory expressed by John Maynard Keynes in General Theory of Employment, Interest and

Money (Keynes, 1954) made the assumption that full employment basically focused on the factors that determine the price, or cost, of scarce resources and their alternative uses. In other words, his theory focuses on the full utilisation of resources at a given economic rent, and not how they are mobilised. Micro-economics, on the other hand, at least in the classical sense, focuses on the allocation of scarce resources to meet specific ends and assuming a state of full employment. As demonstrated later in this analysis, these assumptions present real difficulties with regard to African economic management because, where resources are often less than fully utilised, the social framework does not reflect the full economic rent of production factors. This is especially true in rural areas or informal sectors where less than full employment of the factors of production exists at any given time, partly due to absence of appropriate or adequate technology.

Therefore, this leads us to observe that the basis for new global relations is that development planning in African countries must imply finding the best way to interface a nation's resources – land, skilled manpower, capital and foreign exchange – to promote the expectations of every individual, private firm, farm and every agency of government, both central and local. This represents the most general view of African planning, one some economists believe has been abandoned in favour of short-term crisis management. Viewed in this sense, planning would include physical, social, financial and economic programming using available resources.

Another aspect of Africa's global partnership lies in the design of *social planning*, sometimes called social 'engineering'. Social planning concerns the creation and availability of welfare and social services to the poor as well as cultural development, traditional values and their adjustment to modern requirements. It entails the implementation of schemes to alleviate social ills through self-help projects carried out by the people themselves, sometimes under government guidance. Africa does not lack this mode of planning. *Physical planning*, on the other hand, involves

proper land use, such as town planning, design of roads and other forms of communications. *Financial planning* involves the balancing of resources allocated for rural and urban development programmes and the effective use of such resources. It is principally the responsibility of government to plan for growth through its departments and involves the determination of revenues and allocation of budget expenditures. This includes capital budgeting and deficit financing to ensure that resources are available to meet the country's development objectives and priorities. Economic planning is concerned with the organisation of all the country's real and potential resources and wealth, manpower, natural resources and energy to meet predetermined goals.

It is important to briefly describe how microeconomic and macroeconomic development theories have influenced the evolution of African global economic relations. Throughout the economic history of the Western world from the classical and neo-classical economists to those today, development planners have wrestled with the questions of production and distribution, marketing and trade, accumulation of capital and wealth, distribution of profits and rents, money and interest rates, and social welfare, to name only a few. The main concern in Africa has been to make economics part of the broader concept of social sciences – a merger of history, political science, sociology, philosophy, ethics and all elements of social life. This has led to different concepts and theories of development and growth being applied over the years with varying degrees of success and failure.

The impact of these theories on African foreign relations is a matter of considerable argument and debate. The purpose of this chapter is not to add an additional voice to those arguments, but to highlight how some of these theories have been or are being applied to African situations. In so doing, we attempt to highlight the differences in development approaches, especially those between what are called the ‘development’ and the ‘growth’ approaches, or concepts. This distinction is relevant, because the development philosophy that a country chooses has considerable

repercussions on the type of results achieved in the development process as a whole. It also helps determine whether a country is being marginalised or not. For example, some countries might argue that the spontaneity with which new economic doctrines, such as Marxism or plural democracy, are applied in Africa, without empirical or adequate testing, has led to confusion between purely economic considerations and political issues. As is indicated elsewhere in this text, some writers believe that countries with a capitalistic ideology have tended to grow faster over the past three decades than those with a professed communist or socialist development philosophy.

In sum, problems arising from classical dogmatism are reflected in difficulties in designing comprehensive development plans that take into full account all dimensions of the socio-economic crisis in Africa. For this reason, in considering choices and options, Kurt Waldheim (former Secretary-General of the United Nations), speaking at the Stockholm Conference on Environment, warned: 'We must realise we are not faced with many separate problems, but with different aspects of a single overall problem: the survival and prosperity of all men and women and their harmonious development. It is within this context that our analysis of the development crises is based and it is within this framework that solutions to transformation from dependence to self-reliance should be sought.'

GROWTH AND DEVELOPMENT

Having briefly examined some of the popular trade models, an aspect of interest to African economic thought is the debate among prominent international economists on the advantages and disadvantages of the 'growth' approach to development. This has always been a bone of contention between Africa and the World Bank. Let us briefly examine the view of Simon Kuznets, who defined growth as 'a substantial increase in per capita product

or per worker product most often accompanied by an increase in production and usually by sweeping structural changes' (*Modern Economic Growth*, 1966). This definition provides a starting point for macroeconomic policy, but falls short of a real formula for generating growth because some critics argue that it does not describe how this increase in per capita income is related to the entire range of economic activities which constitute development. In other words, it implicitly argues that an increase in income per head does not necessarily constitute advancement. However, the model stresses a fundamental concept – such an increase must generally be accompanied by structural changes in the economy as a whole. It is this structural change that was generally absent in the application of growth theories in Africa and which ought to be the fundamental element of a new and dynamic African development policy.

The disciples of the 'growth' approach to development attempt to define Kuznets's view by isolating economic factors from other determinants of development such as political maturity, social conditions and institutional framework. In another analysis, Adelman and Morris stated, 'The process of economic development in underdeveloped countries consists basically of the separation of the economic sphere from the complex of social organisation and norms that govern it, and subsequently and to lesser extent, from the political environment by which it is constrained' (*Society, Politics and Economic Development, 1965*). This observation is apologetic, because while it advocates separatism, it nevertheless acknowledges, albeit grudgingly, that political considerations cannot be wholly divorced from socio-economic principles.

The growth approach had been fully developed by distinguished figures, such as former World Bank President Robert McNamara. He firmly argues that one cause of poverty lies in the fact that 'developing countries are not moving decisively enough to reduce several socio and economic inequities' (*UN Conference on the Human Environment, 1972)*. McNamara went on to suggest that, as a remedial measure, countries must strive to attain a high

rate of growth because 'for a poor country to operate an economy which distributes incomes among the people more justly, there manifestly must be economic growth. Without growth a poor country can only remain poor.' Most African economists support this view while cautioning that the present disparities in income distribution and imbalances in levels of development are evidently the result of vigorous application and pursuit of 'growth' without equity.

The more practical view claims that problems have always arisen in Africa when attempting to separate 'growth' and 'development'. This difficulty in interpretation generally arises out of a failure to adjust thinking to the modern requirements of developing countries. According to literature from the World Bank, for instance, the most pressing problem in development economies is 'fostering growth in poor countries and improving the performance of industrialised economies'. Economic growth of poor countries in this case is seen as something dependent upon the economic prosperity of industrialised countries. Later, this became the 'trickle-down effect' theory, which caused some to believe that growth in industrialised countries would pull African nations out of mass poverty. Nothing is more ludicrous than this belief. Economic development is also confused with economic growth and the application of one, especially in Africa, is often deemed to provide the same results as the other. Economic planners and policy-makers are often shocked when the results of a development plan turn out quite differently than what was originally expected. For example, growth without equity has merely resulted in creating riches for a few while condemning the majority of the population to perpetual squalor.

Proponents of growth as a means of eliminating poverty encouraged growth of 'sensitive' sectors, especially those pertaining to mineral and raw materials exports. It was the policy of the British Government, for instance, to ensure that the colonial economies were self-financing insofar as British settlers were concerned. However, this policy had limited results to the extent

that it was based on primary commodities, and its impact on economic progress was marginal. In post-independence Africa, conflicts have arisen as to whether growth should be regarded both as a policy and as an objective. In traditional Euro-American economic thought, development of the so-called less developed countries is conceived in terms of increases in per capita GDP. For instance, Lionel Robbins in *Theory of Economic Developmen*t in the *History of Economic Thought* (Robbins, 1968) considered development to denote increases in income per head expressed in terms of availability of goods and services. According to him, countries such as Botswana and Libya with high per capita would be highly developed. However, the real situation in these countries tells a different story.

In recent times, the World Bank has attempted to revisit the 'trickle-down' doctrine by introducing another 'economic locomotive' theory, according to which a few African countries are selected and given intensive financial support and investment which, it is believed, will pull others out of economic crisis. This theory is obviously irrational because no group of African countries develops as a homogeneous economic entity, even when regional economic organisations have been established. Furthermore, this philosophy omits an entire range of normative variables such as political change, democracy and political upheaval, social unrest, education and human resources, development and improvements in environmental conditions, whose presence or absence increase or reduce the welfare and productivity of nations. In reality, economic history shows no empirical evidence that one country can just tag along another towards growth and development.

THE LESSONS

In the politics of de-marginalisation, African scholars now feel that new global partnerships should be conceived within a framework

that establishes decent human living conditions and economic well-being for all sectors of a country's population. In supporting this view, Sherman Robinson draws a distinction between economic growth and economic development as a response to this issue (*Economic Development and Cultural Change*, 1972). He described growth as increases in the GDP, whether aggregative or expressed in terms of per capita computation, which according to his analysis excludes economic, cultural, political and sociological structural changes. Economic development on the other hand, includes growth as well as all other variables that occur in the development process.

This view was also shared by a panel of experts in a report submitted to the United Nations Conference on the Human Environment in 1973. The report stressed that 'development objectives should be redefined to include greater stress on income distribution and employment, more attention to (the creation of) social services and welfare-oriented public goods, and greater provision for political participation in the development process'. This implies that political, social and cultural considerations cannot be isolated from pure economics. The report further stressed that there should be a quantification of social goals in development plans in order to ensure that the process of development can also be measured in terms of social justice.

One lesson from Africa's macroeconomic growth is that development policies borrowed from the North do not contain elements that ensure balance among economic, social and political variables, all of which make up an economy. As Thompson put it in *Theory and Development: Economics of Transition* (1973), development requires the transformation of social, cultural and economic factors towards the maximisation of welfare. He stressed that economists should be wary of the reciprocal relationship between qualitative and quantitative transmutation, because growth in one area without growth (1963) in the other will unlikely be self-sustaining. Similarly, Benjamin Higgins in *Social Aspects of Economic Development in Latin America* put the entire issue of

the development minefield in a more comprehensive perspective. He argued that as development progresses, 'it becomes increasingly difficult to say where economics ends and sociology, socio-psychology, anthropology and political science begin. The importance of economic design of the political and cultural framework is apparent; development economists find themselves writing about such matters as the relationship between literacy and development mindedness or technology mindedness, the impact of village organisation on economic motivation, the relationship of childhood training to personality traits and creativity and the like.'

Higgins went on to query how the social aspects of development in such a case can be distinguished from economic or even political aspects. This means that the solution to development lies in tackling the crises in development in their entirety.

In another context, Dudley Seers in the *Journal of Development Studies* (1972) developed another angle regarding the process towards de-marginalisation. To him, development includes a whole range of economic activities that create conditions leading to the fulfilment of a person's entire being. This view corresponds with the fundamental principle underlying African political doctrines – that people should be the focal point of all development activity. This, of course, runs contrary to the doctrines of classical economics and globalisation, which classify 'man as an economic tool' to be used to attain certain preconceived ends. Seers emphasised that to determine whether or not development is taking place, a reduction or even the elimination of mass poverty, unemployment and inequality in income distribution must occur. Clearly, this involves political and economic choices, some of which are hard to make.

In an attempt to explain the predicament of developing countries in this global field of landmines, Gunnar Myrdal in *Asian Drama* (1968) identified eight areas that could be used to measure standards of living. These were food and nutrition, clothing, housing including sanitation, health facilities, educational facilities, information media, energy consumption and transportation.

This idea was the forerunner to the United Nations Millennium Development Goals. Myrdal concluded that advancement in any one of these indicators may not necessarily imply that a country is developing. We share his view that economic development requires upward movement in all macroeconomic parameters, thus resulting in an improvement in quality of life. In other words, the economic development of Africa should involve a multidimensional shift in investment, finance, capital, and science and technology towards the creation of new wealth that will enable poor people to enjoy, with the rest of the world, the benefits of globalisation through science and technology as well as investment financing.

7

DEMOCRACY AND GOVERNANCE

"Democracy demands discipline, tolerance and mutual regard. Freedom demands respect for the freedom of discussion and persuasion. However, democracy does not imply anarchy or indiscipline. If a government has no popular support, another government, which commands that popular support, takes its place. It is only the small group who knows that they cannot get sufficient popular support that resort to methods of violence, imagining in their folly that they can gain their ends in this way. This is not only utterly wrong but it is also utterly foolish. For the reaction to the violence of the minority, which seeks to coerce the majority, is to provoke the majority into violence against them."

(Jawaharlal Nehru, former Prime Minister of India, Selected Speeches, 1967)

WHAT IS DEMOCRACY?

In the preceding chapters, we have examined a number of issues relating to Africa's economic and social transformation and how the sharing of power affects democracy and good governance. In this chapter, we shall examine how Africa's global relations with the North, predicated upon democracy and good governance, are controlling Africa. But what is democracy? Democracy is sometimes defined as political and economic governance through the administration or management of affairs of state in which a number of people participate in making collective decisions. According to the Oxford English Dictionary, democracy is defined as 'that form

of government in which the sovereign resides in the people as a whole, and is exercised directly by them (as in the small republics of antiquity) or by officers elected by them'. The Webster's New Collegiate Dictionary defines democracy as 'government by the people; government in which the supreme power is retained and exercised either directly (absolute or pure democracy) or indirectly (representative democracy) through a system of representatives'. It was recognition of the latter that led Abraham Lincoln, former President of the United States of America, to define democracy, in 1863, as 'the government of the people, by the people, for the people'. Put simply, democracy means that the government must know what to do, how to do it, when to do it and who should do it. Due to the plethora of definitions of governance, it is necessary to understand the concept of democracy and good governance.

Some writers have defined democracy from a perspective of competitiveness and freedom of choice, calling it 'a political system characterised by regular and free elections in which politicians organised into political parties compete to form the government by the right of virtually all adult citizens to vote, and by guarantees of a range of familiar political and civil rights' (Liberal Democracy in Africa: A Socialist-Revisionist Perspective, Sandbrook, 1988). In this context, democracy denotes a system of governance where the decisions of the majority are carried out while safeguarding the legitimate interests of the minority.

Lord Baldwin, talking about democracy in the United Kingdom, said 'democracy is a most difficult form of government – difficult, because it requires for its perfect functioning the participation of all people in the country. It cannot function well unless everyone, men and women alike, feel their responsibility to their State, do their duty, and try to choose the men who will do theirs' (*The British Constitution, Jack Harvey, L. Bather*, 1963).

For the purposes of this text, *we define democracy as system of governance where the decisions of the majority are carried out while safeguarding the legitimate interests of*

the minority. This definition is relevant in assessing emerging democracy in Africa and how it will affect economic development. Major political players in each country must understand what is at stake and the interactions of various interests in society. We must also stress that the concept of democracy, as a means of managing the development processes, is not static and thus must be viewed within dynamic parameters that keep adapting to new domestic and international situations. More importantly, democracy demands that leadership shoulder the heavy responsibility of national capacity building, using all its qualified doctors, scientists, lawyers, economists and sociologists, across political divides, as well as interest groups, such as churches and civil rights leaders, in order to create a political system accountable to the people and transparent in its day-to-day functioning.

Basic principles of governance include the ability of various stakeholders to coexist with those having opposing views, through tolerance and understanding, deliberations, consultations and dialogue. They are based on common ownership of the political process, the sharing of power, adherence to the rule of law, guarantees of human rights and basic freedoms with civil liberties. Pursuit of these principles has often caused confrontation between opposition and ruling parties, largely because of differences in democracy's interpretation outside constitutional provisions. When this happens, the essence of participatory democracy is obliterated and does not take into account the aspirations of the people at all levels of society in their entirety. Many would argue that anything less than this is dictatorial or autocratic. In other words, democracy is generally viewed as a system where governance is through the will of the people and where every citizen has equal access to fundamental rights and freedoms regardless of religion, social background or political belief.

THE CRADLE OF DEMOCRACY

We saw in the first chapter of this book that the issue of governing African people dates back to many centuries. Many people also now recognise, thanks to economic history, that a nation can attain a higher level of development only if its development objectives and priorities are firmly rooted in its own traditions and cultures. Evidence suggests that in general Africans have a common conceptual and analytical framework for participatory democracy, based on their traditions and cultures. Traditional democracy dates back to time immemorial, having survived the colonial and neo-colonial onslaught to the present day. Based on independent research by anthropologists, archaeologists, explorers, ethnographers, historians, traditional oral accounts and folklore, a consensus has emerged that Africa is not only the 'cradle of humankind' but is also the cradle of democracy, having evolved elaborate systems where people participated in development.

As indicated in the African historical chronology at the beginning of this book, the oldest evidence of human's continued existence as a social animal on this planet (*Homo sapiens*) was found throughout the vast lands of the African continent in places such as Ethiopia, Kenya, the Sudan, Southern and West Africa. Later, great African kingdoms, democracies and civilisations evolved their own distinct philosophies regarding people's empowerment and had considerable impact and influence on the world's economic and political development. Great feats of technology in engineering and construction were accomplished by the people of these past societies, feats that modern technology has been unable to replicate. The science of writing on paper (papyrus) and the engineering required to build the pyramids and sphinx were developed in ancient Egypt; monuments in other parts of Africa, like the Great Zimbabwe (Zimbabwe ruins) and rock-hewn churches (Lalibela) in Ethiopia, all defy the imagination.

Therefore, the impact of traditionalism and communalism on African democratic principles and development philosophy cannot

be underplayed. It is important, in this regard, to stress that from the various pieces of history, literature and oral tradition, evidence shows that the so-called 'Negro' cultural heritage was maintained in distinguishable agro-pastoral economies, especially immediately south of the Sahara. These societies had democratic institutions largely based on cash crops, such as Gossypium herbaceum (cotton), which were spun into fibres and used in textiles. Some of these societies also pressed palm oil for export to Europe, India and the Far East. The economic exploitation of minerals and agricultural raw materials, depicted in cave paintings throughout Africa, was not capitalistic in the modern sense of the word. Such exploitation was based on human interrelationships governed by orderly distribution of the proceeds of the nation's wealth. Empowerment implied the individual possession of wealth, especially livestock; however, it was not accumulated through the exploitation of individuals by a few people, but rather through an intricate system of communal arrangements. In fact, the most important property of the time – land – was generally held in trust by the monarchy or chieftaincy for the good of all. The political leadership of the day ensured that subjects had a share of the wealth of the nation, each according to his or her needs.

There can be no doubt, then, that Africa has experienced very rich traditional forms of empowerment that can be built on and become an integral part of its modern world. This has led scholars, such as Kenneth Kaunda, to assert that African traditionalism provides the best way to conduct human relations. This conclusion is not based on dry formalism or an anachronistic interpretation of value judgments, but on readily discernible and empirically verifiable cultural principles. It is the continuing intermingling of African cultures with those of other societies that has led to the continent's rich mixture of traditional values, placing Africa ahead of Europe in its democratic ideals.

By extending this idea, we see that every cultural society, community or tribe in Africa is bound together by what is commonly known as ethnocentrism, a universal framework for

viewing the people's will. Past problems in understanding these forces have been due to shrouding the scenarios developed so far in mysticism, resulting in either a positive response, causing African cultures to be accepted, or a negative one, causing them to be rejected. This is because African cultures have always been misunderstood or deliberately misinterpreted by Western nations, especially during the colonial period. Other nations' denigration also influenced the attitudes and behaviours of one African society towards another. This powerful negative propaganda caused African cultures to be perceived quite differently than they were during the early periods of the traditional societies. In fact, many European colonisers shared the belief that African traditions were 'pagan' or 'primitive'.

The idea of global democracy may also be considered from a different perspective. Commercial, political, religious and socio-cultural contacts between Europe and Africa, especially from the thirteenth until the twentieth century, were largely preconditioned by ethnocentric myths and superstitions about the unknown. Africa was feared, not for what it was, but for what the Europeans did not know about it. Africa, therefore, experienced the 'Scramble for Africa' not only as an era of consolidation under European rule but also as an era in which Africa's economic, political and cultural way of life was destroyed. The mythological process of the African people's subjugation gradually eroded their empowerment, leading to social impoverishment and the destruction of cultural values that were quickly replaced by European ones. These values were individualistic, and in no way morally or spiritually superior to those of the colonised peoples of Africa.

In searching for a new world order, traditionalism and communalism must be viewed as an alternative option for improving global dialogue. This can best be done by referring to the writings on *Négritude* by Léopold Sédar Senghor, *Ujamaa* by Julius Nyerere and *Humanism* by Kenneth Kaunda, analysed in an earlier chapter. The work of these great African philosophers as well as that of other anthropologists and archaeologists, while

improving how Europeans and indeed the industrialised world viewed Africa, has not always been understood by the Africans themselves.

However, the way forward is to recognise that Africa has always remained a mystery to the rest of the world, even with the tremendous surge in information technology and the 'microchip'. This has tended to modify Africa's own perceptions and aspirations, especially of new democracies as they ready themselves for full participation in a world generally hostile to Africa. Age-old prejudices and suspicion still govern relationships with industrialised nations. They often shrug their shoulders in naive pessimism about Africa's ability to have good governance while leaders of the North try to emphatically assert their authority in Africa through globalisation and control over science and technology.

Against this backdrop, some Western writers have chosen to marginalise African traditional democracies simply because they could neither understand nor appreciate the traditional values, norms and ethics so different from their own. However, evidence clearly indicates that African traditions are both functional and effective in dealing with the situations of our time. Difficulty has occurred because no on-going analysis of economic events has been made, due partly to the slave trade and colonial wars destroying the little information known about Africa, and partly through deliberate distortions made by some Western writers. In fact, supporting this observation, Adebayo Adedeji, succinctly stated at the Tom Mboya memorial lectures in 1975:

> "For over the last hundred years, the traditional cultures of Africa – the arts and customs and beliefs of the scores of diverse ethnic groups in Africa – have seldom appeared worthy of honour and respect... So pervasive was the denigration that both inside and outside Africa, people agreed for a long time with the dictum of a former colonial Governor of Kenya that Africans are so primitive that for civilising purposes they are almost a clean slate."

The reality that Adedeji paints is that past African democratic institutions were far more advanced than those of the barbarians who invaded and colonised Europe. Thus, the difference described by the proponents of *Négritude* between themselves and Western societies was that traditionalism formed the essence of African life. This arose out of the raging debate in African economic literature as to whether traditionalism has a place in democratic theory or not. The argument in favour of traditionalism states that the path of development essentially leads from a predominantly agro-pastoral society to a society whose major economic activity includes industry, communications, trade and services. This expresses the conventional wisdom of classical and neo-classical economic dogma, where the emphasis is laid on the structural shift from primary to secondary and even tertiary sectors at the expense of staple food production.

Africans generally find that the Western conceptual framework raises fundamental concerns regarding policy and planning, because it implies that any emphasis on rural or communal development, which is the cornerstone of the traditional society, is necessarily a step backward. *Négritude*, it is argued, is a concept that attempted to eliminate or correct flaws in colonial policy and administration. It tried to bring into focus those aspects of economic and technical infrastructure, such as empowerment, that were relevant to a traditional society. The crux of the matter is this: Is choosing agriculture, and indeed food production, over industrial advancement necessarily a step backwards? History has taught us that countries such as the former Soviet Union, that concentrate on industry while neglecting agriculture, find themselves during the later stages of their development in a position of quasi-dependency. In fact, perestroika recognised this weakness.

THE ELEMENTS OF GOOD GOVERNANCE

In pursuit of democracy, the dream of almost every African political leader is to ensure good governance. Let us now examine this concept in some detail. Good governance, as a recent concept in development, is difficult to define, because it may sometimes depend on social attitudes and cultural backgrounds at every level of human interaction. However, as an aspect of political and economic management, good governance implies that those who govern must have the capacity to accept different and sometimes conflicting views and learn to adjust if things are not working well for the people.

The African Development Bank (ADB) considers democracy and governance to be interconnected and complimentary, ensuring that legitimate and effective distribution of growth occurs. It holds the view that democracy provides the necessary institutional framework for ensuring accountability and transparency in the management of political and economic systems. The ADB outlines, in particular, the following essential elements for good governance:

> "Ensuring accountability of public agencies and officials through formal transparent process for monitoring and reporting; fostering transparency at all levels of government and public administration, including budgetary transparency; combating corruption; fostering greater participation, and freedom of speech and association to enable the beneficiaries of government programmes to participate effectively in determining and meeting their needs; nurturing an objective and efficient judiciary; and enhancing efficiency within public and private institutions by building technical and management capacities."
>
> **(The African Development Bank)**

Furthermore, if the experiences of other countries have taught us anything, it is this: just because a country advocates multi-party democracy does not mean that political liberalisation is guaranteed. In that regard, the World Bank has stated:

> "Good governance includes the creation, protection, and enforcement of property rights, without which the scope for market transactions is limited. It includes the provision of a regulatory regime that works with the market to promote competition. And it includes the provision of sound macroeconomic policies that create a stable environment for the market activity. Good governance also means the absence of corruption, which can subvert the goals of policy and undermine the legitimacy of public institutions that support the market."
> **(The World Bank)**

In the light of the above definitions, it has been observed in Africa that political governance has been greatly influenced by foreign ideologies and doctrines that sometimes differ from traditional values and the geopolitical realities. This suggests that Western concepts of democracy may not necessarily lead to good governance. This may also explain, in part, why some African countries evolved governance doctrines based on Marxism, communism and socialism, which developed outside of Africa and then were transplanted throughout the period of political struggles for independence. These doctrines were essentially seen as an answer to colonialism, and later to neo-colonialism and the controlling of Africa through foreign aid. Experience has shown that none of these foreign political ideologies entirely suit African conditions, thus explaining why governments have failed to liberate the political and economic framework to allow everyone unimpeded participation in the socio-economic transformation process.

Political critics also claim that good governance may be jeopardised to the extent that some African leaders, once in power, seem to ignore the fact that democracy demands more than mere party declarations or affiliation. In order to sustain good and sound macroeconomic governance, there ought to be a political system that guarantees prosperity for all. One of the tenets or offshoots of policy reforms under the SAPs has been donors linking structural adjustment and economic policy reforms to democracy and good governance. The attainment of democracy, political stability and good governance are now regarded as the three fundamental factors necessary for Africa to receive donor

support. The argument is that, in an undemocratic system, people are denied the opportunity to use their skills to better themselves, their families and society as a whole. Political stability ensures that individual investors, economic and financial institutions are secure and protected, which encourages full employment of the factors of production, and thus further investment by the private sector. In that sense good governance is the oil that lubricates the economic machinery so that nations may realise their full potential.

Another element of sound governance policy is the evolution of human rights and the rule of law and how these affect the structures producing wealth and its distribution. To begin, let us state that for democracy to be sustainable, nations must have a clear vision of where they want to go. This vision must transcend ethnocentricity, political affiliations and religious beliefs. Therefore, one of the tenets of power sharing is that all stakeholders and the population at large must fully understand democracy in terms of their respective duties and obligations to the nation.

The point to underscore is this: democracy should mirror the country's vision. Leadership should also be determined to involve every citizen in the democratic transition. Therefore, in order for a country to be described as democratic, it needs a vision, shared by all: how the people will be governed, what the ground rules of democracy should be and how to share economic and political power. Where such a vision is non-existent, a nation-state will drift aimlessly like a ship without a sail.

In order for the growth vision to become a reality, democracy and good governance must be widely understood to mean the same thing by all segments of society. Therefore, the imposition of the majority party's will over the minority party must be moderated by the desire to ensure the full participation of every citizen in the democratic transition. Where such guarantees do not exist, governance will tend to run the concept of power-sharing, understood in African traditions to be a system of adequate consultation that ensures the majority does not overrun the

minority. In other words, the principles of democracy are further in a situation where the political stakeholders do not really understand their respective roles *vis-à-vis* the rest of the players in the multi-party democratic system. In such cases, the establishment of common institutions for democracy upon which the vision will be built is paramount.

A new democratic framework for African countries is crucial, because from the early 1960s to the mid-1990s many countries were ruled by one-party dictatorial or military regimes that thrived on absolute power. No democracy existed in these countries, all powers usurped by one strongman who controlled both the vision of the nation and its direction.

Although some argue that a common African vision has yet to be agreed upon and that multi-party democracy is at the very best rudimentary, there is growing awareness that the African dream requires new foundations for democracy, and that political leadership must be genuinely determined to establish a system where all citizens have a voice in matters that affect them. It is clear that national debate is needed so that the civil society may express what it understands by democracy and the sharing of power. This would allay fears that democracy might be seen as a non-visionary value judgment imposed by the leadership of the majority party.

According to the vast amounts of literature on the subject, the definition of governance seems to vary according to the perceptions and even the socio-political background of its proponents. There are also several forms of governance depending on whether one deals with traditional democracy, participatory democracy, constitutional democracy, parliamentary democracy, capitalist democracy, one party democracy and multi-party democracy.

The governance paradigm emerging in African countries is an important factor in cementing good relations between the ruling and opposition parties, as well as between the government

and the governed. Therefore, governance should support a political system where several political parties with different philosophies, strategies and programmes exist, and where under the constitution every political party, regardless of whether or not it is represented in Parliament, is recognised under the laws of the land and has equal standing *vis-à-vis* the rest. In that regard, it is generally hoped that multi-party democracy will usher in a new era of understanding and political tolerance, where peace and stability would be guaranteed. This would in turn foster growth and development, leading to economic recovery and social transformation.

A major aspect of governance in a plural democracy that has considerable impact on macroeconomic growth is the symbiotic relationship between the economic and socio-political processes, insofar as empirical evidence shows that in many African countries the political leadership often controls economic power. Therefore, a tendency exists to design economic development programmes within a narrowly defined political superstructure, making it difficult to isolate the purely economic norms from the purely political norms. Where democratic institutions are weak or non-existent, entrepreneurial forces tend to be choked by political considerations, and hence investment benefits are not transmitted to the economy.

In such a situation, the study of normative political science leaves African scholars wondering where politics and socio-economic governance begin to interact in any given time horizon. At the same time, a materialistic approach, or its interpretation, often exposes political leadership to harsh criticism from the opposition, who argues that economic development and social considerations should override political considerations. In a capitalist society, these conflicting ideas have often manifested in confrontations between the ruling and working (proletariat) classes. The result was the spread of African variants of 'Marxism', 'socialism' or 'communism', especially during the cold war era.

MULTIPARTY DEMOCRACY AND POLITICAL INSTABILITY

Let us continue the discussion on governance by asserting that good governance thrives where there is peace and political stability, and cannot be achieved where there is no democracy. The main problem Africa and the rest of the developing world face is that multi-party democracy is, by its nature, an unstable form of governance because political parties constantly wrestle for power. That said, many political scientists believe there is no better form of governance than democracy. This is because governance is directly related to human rights and the rule of law and both are essential for macroeconomic growth. Over the past decade or so, many African countries have enjoyed peace and political stability. Under multi-party democracy, some countries have also tried to develop a common political vision and determine a common destiny. As the way forward, African countries must harness democracy, peace and stability in order to develop national strategies for managing economic growth, bearing in mind the meagre resources of their countries. To achieve this objective, entire nations – politicians, economists, religious leaders, social workers and tribal chiefs – must all be committed to change. Economic transformation will almost entirely depend on Africa's ability to mobilise domestic resources and attract foreign direct investment in the face of dwindling donor support. Governments must therefore have a sound and credible macroeconomic growth policy that development partners and the private sector can support.

Many African countries now enjoy a stable economic environment, conducive to attaining sustainable growth and development. There is no better time than now for such countries to seriously review past policies and convince the international community to assist Africa in putting in place credible macroeconomic policies and strategies. Donors must also believe that genuine political will exists in Africa to change for the better and that economic managers are determined to be fully accountable and transparent in their implementation of national development strategies.

Peace is recognised globally as a building block for good governance. In this vein, the former President of the ADB, Omar Kabbaj said:

> "There is also broad agreement today on the other pre-requisites for development, namely, peace, good governance, ownership of the development process and partnership. Indeed, as the tragic events in some of our countries have made it all too clear, sustainable development can only take place in conditions of peace and security, assured by transparent democratic processes and sound macroeconomic management."
>
> **(Kabbaj, ADB)**

We can infer that political and economic management are like a fruit tree. It must first be planted, then watered and fertilised, until the tree grows to bear fruit. This is not a process that takes place in a short period of time. In the same way, peace and political stability bolster the relationship between democracy, good governance and economic development. Multi-party democracy, like a building, has various components – building blocks – that must be painstakingly put together, one on top of the other, until the structure is completed. In the context of the civil society, this process must be based on local traditions and cultures.

This is useful in understanding how the various African brands of democracy and good governance really work, because it is evident from the definitions of democracy that in Africa the process towards multi-party democracy is a continuing one, and one that has yet to be fully established. For example, some African leaders have refused to conduct general elections while others were ready to do so, and the donor community may have favoured the former. However, the pertinent issue is to recognise that building a viable multi-party structure in each country is like building an anthill. The termites work in perfect harmony, each one belonging to a recognised section, group or department, just like workers, soldiers, guards, baby-sitters, and housekeepers. Each termite is also fully aware of its specific function in relation to the rest of the termite colony. Specifically, each carries a tiny morsel of mud, placed there by other termites and weighing only

a fraction of a gram, and places it on top of other small pieces of mud, until the hill is completed.

The same principle should govern African multi-party governance, in that all players – namely the government with all its branches, the opposition parties, non-governmental organisations, trade unions and civil servants, religious groups, traditional chiefs, youth, people with disabilities, and the donors and international organisations – should support one another in building the nation. Therefore, multi-party democracy cannot be achieved where there is a perceived monopoly of power and where a segment of the civil society is reduced to the role of silent spectator.

THE ART OF GOVERNANCE

The analysis in the previous section leads us to another equally exciting subject, the art of good governance. As we have noted, multi-party democracy has built-in instabilities, because no sooner is a person elected to a leadership position than the opposition parties come together to strategise how to bring him down. This is the reason political analysts generally agree that the most important challenge facing good leadership is the building of national consensus and unity. In other words, the primary function of good leaders is to build their parties by bringing more people into the fold. This, in essence, is also a basis for good governance. The primary function of a good government is to ensure that everyone is behind all political or economic decisions, and that everyone is moving toward achieving set objectives with one heart. The problem is that the opposition often refuses to work with the government, and in most cases their actions are generally designed to make government fail.

This notwithstanding, political leadership must strive to rise above and lead the nation towards prosperity. It was in that context that Emperor Hailed Seaside I *(Selected Speeches of Hailed Seaside*, 1967) once said:

> "A good leader must possess initiative, which is the creative ability to think in new ways and do new things. The leader has always to stay ahead. He cannot afford to set up a procedure, and then fold his hands and linger lazily watching it work… No matter what our point of departure, in speaking of leadership, we reach the inescapable conclusion that the art of leadership consists in the ability to make people want to work for you, when they are really under no obligation to do so."

What the Emperor emphasised was that those who govern must lead by example and subject themselves to stricter discipline than expected of their followers. The mode of socio-political governance required to meet economic growth and development needs must also be based on principles of egalitarianism and overcome the struggle for supremacy of one tribal or ethnic grouping over the others.

The observation is that those entrusted with good governance must also understand philosophical or intellectual exchanges of political knowledge through the democratic process. Every individual should also have the right to acquire and use such knowledge for his own welfare and that of his family. It follows then that a leader who does not know where he's going cannot lead anyone. The modern theory of African political development comes from models of socio-cultural and economic interventions established by African tradition. As such, caution must be exercised, so that in each stage of a society's development there is a visible departure from colonial doctrines, so that the total welfare of the people can be measured. This might be the amount of social investment in education, not only in schooling, but also in health, security, and in basic needs as identified earlier. These must be accompanied by changes in the structure of socio-economic variables, and guarantee that political representatives always genuinely reflect the dreams and aspirations of the traditional communities.

The problems for leadership associated with borrowing multi-party governance doctrines from foreign lands arise out of the contradictory situation of wanting to welcome change and

advancement while fighting hard to maintain the status quo and old social values. We see this in the political transition to multi-party democracy. While legislation guarantees individual advancement within each African society, this does not readily occur due to African slow adaptation to modern governance.

Moreover, after several decades of the multi-party experiment in Africa, ruling and opposition parties still have not agreed on a working solution as to how consultations on important decisions affecting political, economic and social processes should occur. Amidst the perpetual power struggles, the masses still feel they have been denied their human rights and the chance for a better standard of living, partly because of the concentration of economic power in the hands of a few and partly due to the greed, corruption and the theft of public funds by those entrusted with the responsibility of looking after their nation's wealth. This is why some political observers believe that the success of democracy depends upon adherence to moral principles and written rules of honesty, accountability and integrity. Abuses of power are still possible under multi-party democracy, if the management of the political system is misunderstood by the various political stakeholders.

Therefore, to fully understand how the building blocks of multi-party democracy support good governance and economic growth, all stakeholders must first understand that a multi-party system has multiple parties. The difficulty arises when trying to persuade both the ruling and opposition parties to accept that, in a plural democracy, there are also many different points of view. The opposition will always differ with the government on basic issues; however, patriotism demands that some basic party ideals be set aside to allow the nation as a whole to move forward and not be used to block economic progress. In other words, the differences among political ideologies should supply the grease that lubricates democracy. This is a fundamental aspect of governance in a multi-party democracy, one that the political parties will eventually and hopefully understand. All actors must

also understand that advocating democracy does not in itself guarantee that people will enjoy civil liberties. In other words, the electorate must always be on guard to ensure that their rights and civil liberties do not deteriorate.

Experts now agree that for multi-party democratic governance to flourish in Africa, the elements listed in the next few paragraphs must be in place. First, there must be a high level of understanding regarding the respective roles of government, the ruling party, the opposition parties, civil liberties organisations, religious groups, women's groups, youth movements, traditional chiefs and ordinary people, and how they should interact to strengthen the democratic process. In selecting the government, people must have complete freedom to choose from among political rivals, through secret ballot, and must have full confidence in the people they select to represent them.

Second, there must be well-defined ground rules governing the pursuit of the genuine freedoms of speech, choice, conscience, religion and association, and the right of opposition parties to hold public meetings and rallies without interference from the ruling party. Governance should be based on tolerance and forgiveness, and not on revenge and retribution against those holding differing views. Such guarantees must be accompanied by the desire of those in authority to create a system in which everyone can debate the issues and constructively criticise the government, without fear of elimination.

Third, a new political culture of power-sharing must be established, preferably within a 'government of national unity', and should be regarded as the guiding principle of good political and economic governance. Most importantly, there is need to ensure the participation of all societies' top intellectuals, regardless of their political leanings, and facilitate the adoption of common solutions to the persistent problems of growth and development. Parties out of government should also be constructive, and not merely oppose for the sake of opposition. In other words,

opposition leaders should have the moral courage to acknowledge when the government has performed well.

Fourth, equal economic and business opportunities must be guaranteed to all citizens. This should be done by making sure that one group of individuals, politicians or business people does not gain undue privileges, such as undue access to business loans or land and real estate opportunities, while the rest of society remains disenfranchised economically and socially. For this reason, civil society expects cabinet ministers and parliamentarians alike to refrain from abusing power, corruption and exploiting their country as well as avoid robbing the people of their legitimate right to economic development and prosperity guaranteed under their constitution.

Fifth, there must be full political and economic accountability and transparency, ensuring there is no misuse of public funds by those in power or the electorate that put them there. The electorate would have the right to validate government policies and actions and to demand regular reports on the performance of the parliamentarians they voted into power.

Lastly, the doctrine of the 'separation of powers' must be upheld among the three branches of government – the executive, the judiciary and the legislature. Ways should be found for these three branches to work in tandem, and where necessary back each other in strengthening democracy in the country. The cardinal principle is: the heads of the three branches must meet regularly to avoid the temptation by one branch to usurp the powers or interfere with the work of the others. They all must accept that the people come first and that the three branches of government were established to serve the people through different mandates.

In addition to these elements, good governance also requires an agreed system of management, whereby the government of the day protects the minority, the poor, weak and underprivileged from exploitation by the strong, greedy and rich. To achieve

this, new agreements should be made with non-governmental organisations (NGOs) operating in a specific country to provide them with a platform supporting multi-party politics, against the backdrop of the changed political environment. If the NGOs and the inter-governmental organisations (IGOs) are committed to the success of multi-party governance, then the civil society will expect them to readjust their intervention methods so that all people in society are included in their scheme.

Some observers worry that most NGOs in Africa are controlled by the international donor communities, to advance the political agenda of their home governments. In fact, in some countries, donors openly support NGOs that do not cooperate with the government. The challenge is to make donors accept their obligation to not interfere in the political and economic machinery of African nations. By supporting all stakeholders, including opposition political parties, the international donor community should be careful not to send wrong signals to the civil societies that may render multi-party democracy ineffective as a tool for economic development in the countries concerned. In that regard, experience has shown that when donors discontinue or minimise their relations with opposition parties, stability in the nations concerned often follows.

DEMOCRACY FOR WHOM?

Let us advance the analysis of democracy further by stating that the emergence of multi-party democracy and the new role of the State in that process have raised a new challenge for governance. That is, a new platform for dialogue is needed to answer the question: Democracy for whom? To find an answer to this question, it is useful to remember that the art of governance reflects an understanding of the interplay of power in a society, and how donors view this concept within the framework of their economic and technical assistance to Africa. For many years,

donor communities have played a key role through their funding in the transition towards democracy in many African countries. More specifically, donor institutions have generally laid down stringent conditions as basic requirements for their financial support of policy reform programmes. Recipient countries must adopt policies aimed at achieving a market-oriented economy, and that are directly linked to democracy, human rights, rule of law and other civil liberties. However, experience has shown no corresponding change in the donors' understanding and appreciation of the real needs of African countries.

Over the past four decades, the conditions imposed by the Bretton Woods Institutions have evolved so rapidly that Africa's development policy has not been able to adapt sufficiently to changes or respond adequately to developments at the global level. Donor resources were expected to allow African governments to undertake programmes aimed at adjusting their monetary and financial policy to attain macroeconomic balance, external debt management, control of prices of essential commodities, especially maize and other staple cereals, through agreed limited subsidies. In reality, things did not turn out as planned due to the rigid nature of policy adjustments in the Bretton Woods Institutions themselves, which disallowed the strengthening and sustaining of new democracy.

To shed new light on the African Dream, it must be understood that for a country to qualify for World Bank and IMF assistance these institutions insist on African countries adopting the following policies. First, immediate devaluation of national currency followed by liberalisation of trade and the exchange system. This implies that any future new industries in a country will have to face competition from well-established and well-funded industries from donor countries.

Second, the wholesale privatisation of all public entities, including those engaged in domestic production and marketing, must occur in order to allow foreign investors to freely acquire

and invest in ventures previously reserved for public monopolies. This has the effect of putting small African investors in direct competition with those from OECD countries. In this regard, it needs to be noted that, in the case of Zambia, all local investors were generally wiped out of existence within a short period of time as a result of these conditions.

Third, a reform of the financial and fiscal policies must take place to make the financial sector more accessible to private foreign investors who are better equipped to mobilise local resources. This often results in crowding out local businesses that are known to international financial systems. At the same time, this may have the effect of increasing the illegal transfer of money to individuals and financial institutions outside the country.

In order to police these reforms, the international community created the Paris Club, which is supported by the heads of state and governments of the G8 industrialised countries as well as the OECD. For instance, the Group of Seven, at their 1988 summit in Toronto, Canada, endorsed and supported the conditions established by the World Bank and IMF for increased flow of financial resources to Sub-Saharan African countries meeting such conditions. They also decided somehow arbitrarily which countries should benefit from debt cancellation, forgiveness and rescheduling of external debts. This explains why, in spite of adopting reforms, the relationship that emerged between Africa and the donor communities does not adhere to the letter and spirit of Toronto. Many observers hope that within the framework of multi-party democracy a regular performance review of the economy will be required to assess the countries' ability to meet conditions, without strangling the economy and further impoverishing the already existing poor in those countries.

Inevitably, this has resulted in frustration, voiced by many Heads of State in Africa, who have complained that their governments have done everything required under the SAPs, and yet the anticipated rewards of increased financing and donor

support did not materialise. For instance, Frederick Chiluba, the former President of Zambia, lamented that despite what were universally held to be 'far-reaching economic and political reforms' in Zambia, the donor communities did not increase the flow of financial support to that country. He further lamented that if countries fail 'to get assistance, even after meeting the litmus test of democracy, human rights, accountability and good governance, democracy will fail in the emerging nations'.

These issues underscore the challenges to democratic reforms and have resulted in grave doubts in the minds of the African people as to whether donors and international organisations are ready and willing to substantially support, materially and financially, the political reforms that strengthen multi-party democracy. The concern is that donors have tended to be selective, to the extent that they have refused to support some countries on the basis of obscure reasons while pouring in money to others. However, some observers feel donors have generally displayed some degree of understanding of the problems African countries face in nurturing their fledgling democracies, even though in financial terms their lending programmes have been inadequate. In that context, it is believed that there is room for dialogue, so that a new pact may be developed between the countries as a group and the donor community. All the people of Africa hope that the IMF and World Bank will in the future objectively review the situation and how policy reform programmes impact social and economic issues in their countries. The donor community should also agree to consider the creation of a new platform, one that adequately takes into account the multi-party nature of emerging political structures.

Many observers believe that such a platform on the G20 is critical. On the one hand, governments in Africa need to respond decisively and quickly to the demands for rapid economic and social transformation, highlighted by the advent of democracy. The G20 provides a new dialogue with the donors that would

assist in determining what types of consultation mechanisms might be devised so that more resources could be given to African countries. Such mechanisms would ensure that all stakeholders – namely the government, the opposition, NGOs and religious groups – can freely and openly discuss how societies should move forward. If this were possible, it would be a positive step toward the future.

It is plausible to argue that, after these deep policy changes and political commitments have been made, the African people legitimately expect donors to show their support of on-going and new political and economic reforms by making additional resources available with conditions that do not strangle the nation-states. The African people also hope that donors will, on the whole, show some flexibility in dealing with the brand of multi-party democracy introduced in Africa. Many agree that deeper economic reforms are needed to respond to the new challenges, but that donors should also find new ways of removing the traditional rigidity in their own structures to respond adequately to policies and programmes that can assist these countries in resuming macroeconomic growth, and thereby breaking the 'poverty trap'. Indeed, there is strong national feeling that donor policies and strategies need to be restructured so that they strengthen the institutions for policy implementation.

It also must be emphasised that the experience of many of the countries with structural adjustment programmes and economic policy reforms did not result in full social and economic benefits, because each policy was implemented in isolation. Therefore, a whole set of new interrelated and interdependent activities must be implemented in tandem. Several policies, some of which are listed below, need to be implemented as part of a package.

First, the people of Africa hope the IMF, the World Bank, the European Union and bilateral donor agencies will assist African countries to fully assess the extent of their natural resources and

human capacities essential to sustain growth and development. They hope that adequate information technology will be developed to support the new dialogue so they may take full advantage of Africa's natural resources and invite investors to participate. It is disturbing that some foreign corporations and investors, supported by their home governments, sometimes make deliberate efforts to keep Africa in the dark about its natural resources. They often do so to reinforce their traditional relationship with Africa, one in which the latter continues to supply raw materials and primary commodities to industrialised nations in exchange for imports of manufactured and consumption goods. This relationship actually runs contrary to the process of globalisation, where the principles of equity and social justice are supposed to govern international relations.

Second, since democracy is about people, donors must increase their support to programmes for rural development, including investments, and the creation of new employment opportunities for the large numbers of youth coming out of African high schools and universities. The World Bank and IMF must resolve to support a comprehensive African industrial strategy that can increase the capacities of both the public and private sectors to absorb more youths leaving school and university graduates in these productive sectors. African countries must be simultaneously supported in translating development objectives and priorities into viable projects that can be implemented by small, medium and large-scale enterprises. Therefore, new national industrial strategies need to take into account the links between manufacturing and agro-processing as well as between transport and communications, trade and agriculture, science and technology, manpower and training, natural resources and energy. Failure to recognise these links will perpetuate the disorderly development patterns that have characterised African economic development up until now.

Third, African nations need to devise national development strategies that will eliminate current imbalances in economic growth and the distribution of wealth. Furthermore, ecosystems

require reordering so that nations achieve a reasonable degree of self-reliance and eradicate the abject poverty, hunger, disease and malnutrition threatening millions of people. For such a system to be effective, donors must consider the larger issue created by the dominance of the technology and production structures under which rich countries become richer while poor countries become poorer. Furthermore, African countries must also eliminate the social-economic framework in which economic and political power rests in the hands of a few, preventing the majority from fully participating in economic development.

Fourth, if democracy is transferred to the people, donors must agree that economic reforms should also address the development crisis, manifested in the extensive deprivation of the already economically disenfranchised masses. Africans have learned with dismay that mass poverty results from the combination of government's inability to implement home-grown, deep-rooted structural adjustments and policy reform measures and its inability to reallocate development resources towards the creation of job opportunities through increased domestic consumption, increased savings and the judicious utilisation of the country's meagre foreign exchange earnings. This has been aggravated by the private sector, which has remained aloof and not supported such measures by producing goods and services of high quality for the local market and international trade.

The problems in policy interpretation mentioned above can be seen in donors' continued support of management policies reminiscent of the old order. In our opinion, donors must accept that any new economic philosophy should fully recognise that Africa cannot combat poverty, hunger, disease and malnutrition if the same old policies and institutions that brought about poverty in the first place continue. More specifically, donor experts should realise that ideologies borrowed from previous rulers will not pull African countries out of the current economic crises. In fact, ideologies failing to provide adequate leadership guidance on how to develop quickly, and for whom, will not eliminate endemic

global poverty. Furthermore, development aid will continue to be enjoyed by the elite few through artificially propped-up political systems backed by donors. It must therefore be recognised that Africa's on-going development crises cannot be resolved using conventional economic theory and analytical tools. Neither can they be resolved through a piecemeal policy approach, or by tackling development problems in isolation. Experience shows that Africa's development will be better achieved by taking an integrated approach, one in which all economic parameters are taken into account.

THE CHALLENGE OF DEMOCRACY

The dream of a corruption-free democratic society is shared by many. A critical issue in political and economic governance is the challenge posed by corruption, theft of public funds, mismanagement and incompetence by those entrusted with managing the financial resources of African nations. There has been collusion between African countries and establishments in the North, resulting in the theft and transfer of huge sums of money from projects from one bank into another. The recent 'financial meltdown' is clearly the outcome of corruption and greed. This has led analysts to conclude that corruption is a multifaceted process involving a ring of people in government, donor communities and the private sector.

A global consensus has emerged that corruption is the enemy of growth and intensifies poverty as well as disparities between rich and the poor nations. It is estimated that each year African countries lose billions of dollars in cash and materials, siphoned out of development programmes into the pockets of greedy individuals and bank accounts of transnational companies. Further losses arise out of other forms of mismanagement and incompetence by officials at all levels of government. The social and economic consequences of corruption are indeed enormous. Let us examine a few here.

First, evidence shows that good projects, intended to alleviate poverty and increase the welfare of the poor, often fail to materialise or are only partially implemented because of collusion between officials in donor institutions and recipient countries. Examples abound of schools, hospitals, clinics, houses, bridges and roads that were not built, or were built below national or international standards, simply because the funds allocated to them were not fully utilised.

Second, because the expectations of the people who elected these corrupt representatives are generally not met, voters become disillusioned with the political and economic system that apparently does not take care of them. This tarnishes not only the image of those directly at fault, but also that of leaders who may not always be aware of how such corruption works. The overriding result is a lack of trust in government and voter apathy or indifference to what the government does.

Third, corruption manifests in a lack of transparency and accountability, causing people in the international community to lose confidence in the countries' abilities to effectively manage global financial resources aimed at enhancing Africa's development. Corruption also makes it difficult for governments to negotiate for increased financial assistance to implement projects for the poor. Foreign direct investors also tend in general to shy away from countries viewed as harbouring corruption.

Fourth, corruption hinders governance. Where a lack of transparency, accountability and adequate reporting exists, governing becomes extremely difficult – one cannot govern what one does not control. Stolen funds are not in government coffers; therefore, they cannot be considered part of the nation's development resources. Those engaged in corrupt practices are the enemies of Africa. Corrupt officials cannot be loyal to the government if they're stealing from it. Therefore

we can conclude that corrupt politicians, civil servants, heads of statutory corporations, donor institutions and private entrepreneurs are the real enemies of the State and the people.

DEMOCRACY WITH A HUMAN FACE

The quest for the African dream, discussed in preceding chapters, leads us to a related issue: how to achieve democracy with a human face. This is indeed a broad subject that requires more space than we have here. However, we should acknowledge that in recent years democracy has emerged as an important theme governing relations between African countries and the donor communities. This relationship has intrinsic political instability. The North sees its brand of democracy not only as a form of good governance and development, but also a means leading to the emancipation of Africa. Evidence suggests that in Africa there is a contradiction between the conceptualisation, perception and scope of democracy as perceived by African leadership, on the one hand, and the donor communities on the other. Dunduzu K Chisiza in *Whether Africa* (1962) stated:

> "In free Africa, the dominant sentiment is different. It is the desire to found modern nations, modern states – in which respect for the dignity of 'the human individual and the sanctity of his personality'' shall be recognised to be the sacred fountain of democratic principles; in which the basic human rights shall be guaranteed, that will ensure religious, political, social and economic justice to every citizen; in which indigenous people will have the freedom to choose what they want to adopt from foreign cultures; in which everyone will enjoy freedom from want and fear, and a sense of security and belonging; whose citizens will stifle dictatorial tendencies and refuse to be the slaves of any dictator, whose leaders will ever strive to preserve the hard-won independence."

Such a contradiction splits the field wide open because, in one sense, experience has shown that as long as something is done in the name of the people, it can be defined as democratic. In another

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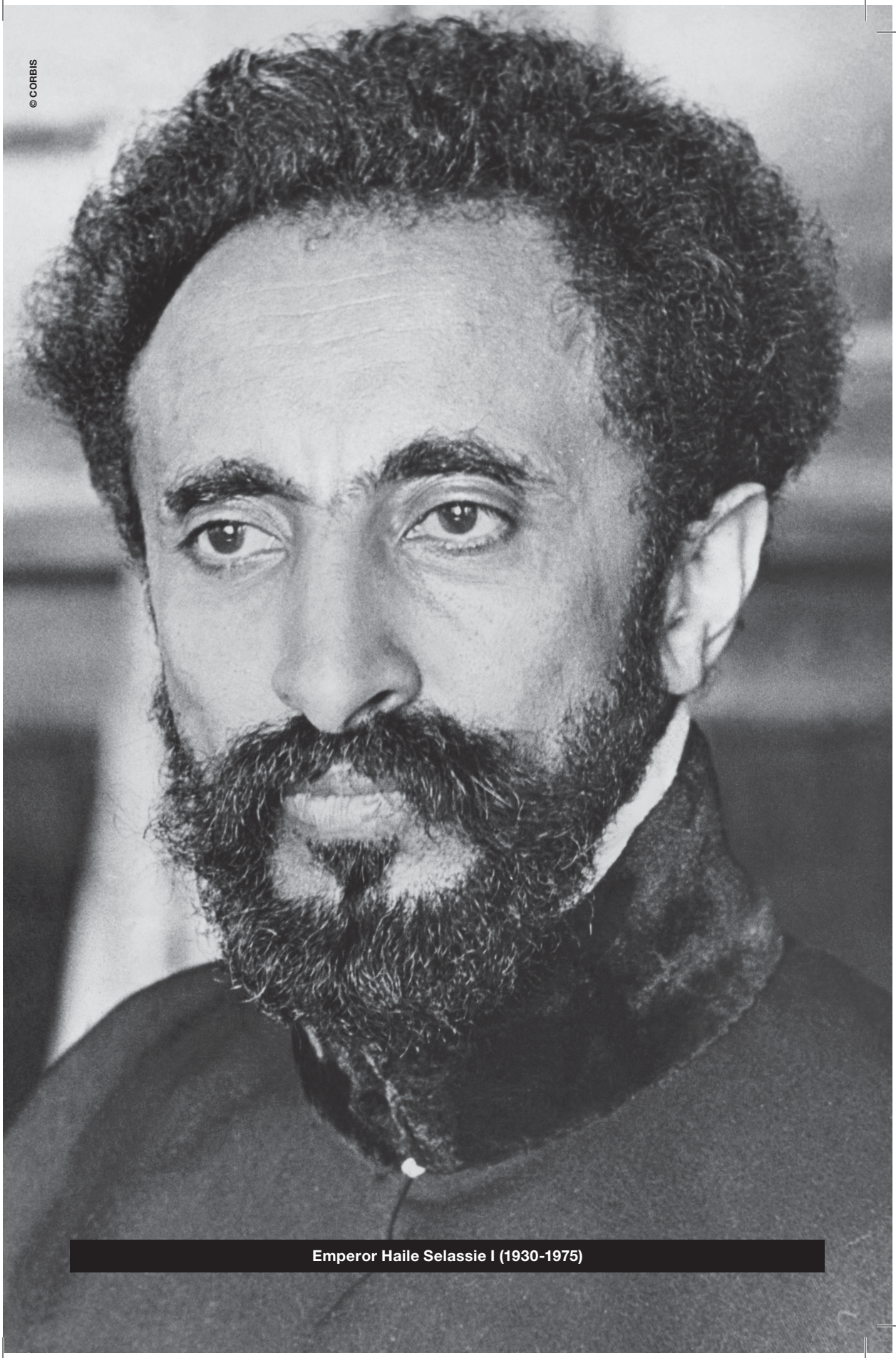


Emperor Haile Selassie I (1930-1975)

sense, the fact that a country advocates democracy does not imply that political liberalisation will be guaranteed in that country. The masses can still be oppressed by the system or excluded from the decision-making process. For this reason, Robert Mugabe President of Zimbabwe in his address to the South African Parliament in 1994 said, 'The success of any democracy rests on the morality of its citizens and the unwritten rules of honesty and integrity.' In fact human rights abuses can still take place, even under plural democracy. It is no wonder democratic pluralism has become a hotly debated issue in recent years. Developed countries have equated democracy with wholesale liberalism, mistaken for good governance and increasingly used as a condition for foreign aid. We still do not know, however, whether political pluralism will by itself guarantee sustainable growth and development. In order to see its relevance to the African situation, we have to examine democracy within the framework of traditionalism.

From our analysis of traditionalism, it is evident that democracy, as a means of stabilising human relations, is not new to African societies. It has served as the very motivation for their existence. In traditional societies, political control and economic enterprise were based on human relationships and governed by the orderly distribution of wealth among the citizens of a particular community. While trade existed with other communities, specialisation was not based on one section of a society's urge to control the entire civil society, but rather on the need to preserve the continuity in the society. Therefore, we can argue that political pluralism should be viewed in light of an African cultural heritage renaissance, possibly reintroduced as a basis for designing new political institutions.

African traditional societies have never been homogeneous and, consequently, making generalisations about democratisation and economic life within traditional societies might result in over-simplification. However, evidence suggests that an important element of African traditional democracy was stability in human relations, insofar as leadership was exercised within readily

recognizable divisions of labour that ensured a high degree of accountability within the society. Under globalisation, on the other hand, the mighty become more powerful, while the weak become weaker. Some of the key elements of democratic governance are described in the following section.

LEADERS AND FOLLOWERS

An interesting aspect governing human relations in any political system is that people generally sympathise with the underdog but follow the top dog. This leads to an important question: Are leaders born or do circumstances create them? This is not an easy question. To answer it, let us start by stating that class friction in a society is reinforced by the style of economic and political management governing the working class. The most difficult aspect of democracy, we would argue, is developing a dedicated and efficient ruling class to carry out programmes to transform neo-colonial eco-systems into eco-systems with truly national perspectives. The development institutions that a nation establishes depend upon how leadership utilises such institutions towards the overall development of the nation. To that extent, executive leadership in development planning is perhaps more required now in emerging democracies than at the time of independence, because the voice of the oppressed has gone unheeded for several decades. All aspects of development require able and dedicated leaders that have vision, dexterity, and a high level statesmanship and enjoy the full support of the people.

In recognition of this, Haile Selassie I of Ethiopia (*Selected Speeches,* 1967) once said that a leader has to submit to stricter self-discipline and develop a more exemplary moral character than is expected of his followers. He implied that, while leaders are not angels, those who choose or are chosen to lead others must exercise moral restraint, correct and improve personal character, check personal passions and desires not in the best

interests of the nation and be able to set standards by which the public can judge them. He concluded by stating that, 'No matter what our point of departure in speaking of leadership, we reach the inescapable conclusion that the art of leadership consists in the ability to make people want to work for you when they are really under no obligation to do so.'

This observation is the central theme governing a people-centred democracy; namely, those who lead others towards a given political, economic or social objective must bear in mind at all times that the ability to lead does not always depend on the ability to wield absolute power. The masses must be fully informed, educated and advised of government's political objectives and priorities so they may fully and actively participate in the nation's development programmes. Above all, the people must fully understand what their leader is trying to do for them.

Let us move on to an important issue in democratic leadership – how to transmit the benefits of development to the masses. We need to point out here that the people's readiness to respond spontaneously to the call for national development depends, to large extent, upon the quality and calibre of leadership, the honesty of leadership regarding the emancipation of the poor, whether leadership shows unwavering dedication to lead the nation towards prosperity, and whether the general public has confidence in leadership. When leaders use democracy to wield and exercise power ruthlessly in order to achieve permanent leadership, erosion in the people's trust of democracy occurs. In these circumstances, the people feel that their welfare is not the main objective of political actions. They expect their leaders to provide them not only with education, food, hospitals, roads and all the other facilities necessary to keep a nation moving, but also to act at all times as their role models.

Such misunderstanding has arisen in various social and cultural circles concerning how 'democracy' should be applied in African countries. Democracy, as seen by the masses, means

freedom of expression, economic pursuit, choice of profession or religion and of political affiliation. Some among the masses also think that democracy means freedom to criticise their leadership. This has apparently caused a strange phenomenon among some leaders, having once acquired political power, tending to give themselves extraordinary social, economic, and political control. This has been considered to be the most effective means of ensuring a continued power base for the incumbent. It is also seen as the most effective means of making sure external elements do not interfere with the political and economic machinery of the State. However, as Ali Mazrui said in *On Heroes and Uhuru Worship* (1967), to many intellectuals these actions are tantamount to totalitarianism. They also resemble those of a police state where political leadership tends to remain in power indefinitely by thwarting any opposition.

What then are the lessons for Africa? It is evident that some African leaders run into difficulty because power resides virtually in the hands of one person who, without regard for norms, opinions, principles or the needs of the masses, uses it with absolute authority to achieve a particular self-centred objective. Naturally, the masses see such behaviour as egotistical and eventually come to believe that democracy merely implies the transfer of political control from one imperialist tyrant to another. This occurs largely because oppression, tyranny and total disregard for fundamental human rights become the rule instead of the exception. The oppressed would eventually conclude that a dictatorship is unacceptable, no matter how the dictator came to power – through the barrel of a gun or by means of rigged elections.

An important aspect of a democratic leader is accepting the mandate to empower the people, one where development policies are defined, designed and implemented by the people for whom such development is intended. This implies an approach that embraces shared decision-making and consultation mechanisms which are people-based. Such an approach would enable leaders to take into account the broad spectrum of people's needs

and aspirations, especially those of individuals in rural areas. For this reason, economic decisions cannot be left in the hands of individuals without safeguarding the interests of the general masses. Therefore, an important aspect of good leadership is accepting that decisions be made by the people through their popularly elected local representatives. They are the ones best equipped to determine what is best for the people. The main responsibility of leadership in a truly democratic society is to decide where personal interests end and where national interests begin and be seen to enforce social justice and equity by completely ignoring personal interests.

At the international level, the issues are more complex, because the leadership model that could help Africa build upon its traditions is spoiled by an imbalance in human relations. Whites continue to dominate people of colour. In fact, at the time of independence, many Africans believed that the United Nations would address the colonial capitalist ideologies responsible for all the economic ills of their countries. Consequently, an effort was made to fill the vacuum left by importing ideologies from the communist countries of Eastern Europe and the Soviet Union. Before long, however, socialism was also found unsuitable for conditions in Africa. Eventually, a consensus emerged (OAU/ECA Declarations) that African countries should develop their own models for social, cultural and political institutions based on a thorough understanding of their economic and social realities.

The lack of a truly African-based ideology explains, in part, the instability in Africa's political leadership; though sometimes brought on by outside forces, once generated this instability becomes self-propelling and self-regenerating. Most political analysts, therefore, believe that the main cause of discontent with African social structures is not the system a country has adopted. It is, rather, the lack of tangible benefits for ordinary people that leads to demands for a new socio-political order. Such unrest will always take place as long as leadership fails to understand the will of the masses or fails to deliver on its promises.

Another factor is that leaders, who at the time of independence wanted to develop a new ideology and believed in shared decision-making, soon became wary of increasing intellectual challenges. For instance, 'after independence, Nkrumah moved from ideas to ideology and that paved the way for his fall. He became increasingly intolerant of intellectual opposition and new ideas, although he had done so much to raise the intellectual tone of African politics' (*Africa Magazine*). Evidence shows an anti-intellectual campaign has existed in many African democracies for years, and continues to exist even today. Some leaders insulate themselves, ensuring that no minister or the civil servant has access to a cross-section of people that might threaten their position. Leaders sometimes also prefer surrogate advisers for policy formulation.

The process of development under African management styles has sometimes been seen as archaic. Like a prehistoric dinosaur – huge, clumsy, impregnable and harsh – they amble along towards eternity in total oblivion of people's abilities to alter the course of events. This view is similar to Leontief's metaphor in *Essays in Economics* (1966), where he compared development to a gigantic computing machine grinding its path towards a predetermined objective, over which humans appeared to have no control. Leontief implied that globalisation is an inhuman machine that moves forward, regardless of who might get hurt in the process. Moreover, he seemed to imply that relevant factors in development, such as democracy, empowerment, technology, resource mobilisation and allocation, cannot be manipulated to increase employment opportunities, investment and control over resources to work for the benefit of the people.

We must realise that Africa's growth and development cannot be accidental; it must result from the conviction and dedication of its leaders. Thus said, it only becomes meaningful when its central principle is observed, namely that all economic activity is geared toward the welfare of the people as a whole. Moreover, we now know that development is the result of each leader's economic management style, manifested in the implementation of consistently

logical policies with clearly defined goals and objectives and of which the people have full knowledge. Therefore, we can argue that the development of African countries will depend on a radical departure from borrowed economic doctrines towards a truly internalised African policy framework. This said, African leaders must correct past errors in development, such as attempting to use obsolete economic principles in a changing world, so they can reverse the trend towards economic degradation and social decay.

SOCIAL JUSTICE IN A DEMOCRACY

All activities involved in leading a nation must always focus on the human being and his needs. This is the height of democracy, good governance and development. The African Union affirms the right of all individuals to pursue the religion of their choice and a standard of living adequate for their health and well-being and that of their families, including adequate food, clothing, housing and medical care. Abject poverty arises out of a disregard for the principles of human rights. This results in distorted relations between the rich and the poor, where the former becomes richer at the expense of the latter.

Essentially, the people's prosperity cannot be guaranteed in an economic system where growth rates are unsustainable or where disparities exist between rural and urban areas within a nation with regard to economic and investment opportunities. Similarly, where the economic system is designed to prevent a large portion of the population from benefiting from the growth process, the productivity of that portion of society declines, which consequently erodes standards of living, and therefore, human rights.

In the evolving relationships between leadership, good governance, prosperity and development, we need to consider

three fundamental tenets. The first is that all agree that people, in a sociological and religious sense, should be the focal point in all development activities. No society can attain higher development goals if people are reduced to a mere factor of production to be used by owners of capital for personal aggrandizement. Even in a purely capitalistic *laissez-faire* society, an element of satisfying human wants governs decisions to invest. In the case of Africa, attempts to destroy traditionalism have resulted in confrontations between the rich and the poor, both across national borders and within each country, as people became increasingly aware through the mass media of their rights under their constitutions. The social system is now expected to have adequate mechanisms for making sure that the results from growth and development are distributed fairly. Fair distribution should not only mitigate glaring income disparities and class distinctions, but also ensure a permanent solution to the squalor of poverty characterising the rural areas and slums now surrounding many big African cities.

The second tenet is that, in the quest for human rights and good governance, no country can sustain itself where two nations – one rich, educated and prosperous, the other poor, illiterate and deprived – exist within the same territorial boundaries. Social justice, therefore, demands that growth be accompanied by equity. This is ensured by investing in science and technology designed to uplift rural communities. The objective here is to link traditionalism with governance and build a society in which all individuals enjoy full and equal rights of access to security, education, religion, employment and income earning while contributing towards the attainment of general development objectives. To achieve this goal, mass civic education, participation and commitment towards sustainable growth must occur as part of the democratisation process so development benefits may reach everyone.

The third important tenet is to have a sustainable growth strategy geared towards optimal development. If people are to become the reference point in development, there must be visible efforts to involve and empower the masses. This demands

discipline, tolerance and mutual respect for all inhabitants, especially the poor, in a society. Fundamental changes, whether political or social in nature, must not come through the barrel of a gun or by detaining people without trial. They must come through mutual dialogue and persuasion. Furthermore, the democratic aspect of the economic process demands that growth policy and targets be clearly understood, designed and implemented by the people affected by such policies. This presupposes sharing the decision-making process and governance within broad-based consultative mechanisms so that leadership may obtain necessary feedback from people from every echelon of society, all the way down to the grass-roots level.

Two other tenets of development need special mention so that African development objectives and priorities have a human face. First, evidence suggests that when the will of the people is ignored in a country, enough growth to ensure minimum sustainable living standards for all people does not occur. When growth is attained, it comes in spurts, and since no effective mechanism for equitable distribution exists in that country, gaps widen in the standards of living between the rich and the poor. In such situations, the poor masses look on with apprehension and dismay at the non-fulfilment of their high expectations of economic emancipation, thwarted by their leadership failure to deliver on its promises. This partly explains the general mass protests that often ensue.

Second, in countries where human rights violations seem apparent, there appears to be no genuine commitment on the part of leadership towards power sharing. This is largely because the personal survival of leadership becomes the raison d'être for the socio-political systems. The inevitable result is social unrest. To quell these disturbances, huge resources are often spent on military hardware for oppressing the very masses for which government came to power.

A fundamental issue in democratic leadership is the pursuit of social justice and harmonious human relations. A strange

phenomenon has occurred, however, as a result of imposing Western concepts of democracy on African traditional societies – the 'multi-party democracy' has come to be equated with equity and social justice. The donor communities, for instance, have collectively imposed multi-party democracy as a condition for resource allocation to Africa. The many pronouncements of governments and institutions from the North suggest that democracy implies the following: the guarantee of human rights and liberty of each individual; the adoption of economic management styles or structural adjustment programmes and policy reforms designed or approved by the Bretton Woods institutions, with the support of the G8 countries; the adoption of political pluralism or a multi-party system of government as the basis for new political structures that do not fully resonate with Africa's traditions and cultures; and, the liberalisation of the development process, i.e., greater participation in economic decisions by the private sector from the North and consequent demise of indigenous business entrepreneurship.

These factors have continued to make human relations and social justice unattainable in Africa. Rectifying this situation will require setting up clearly defined strategies, objectives and targets in order to evaluate and judge governance and performance. The success of such a strategy has at its core faith in the goodness of people and the belief that service to one's fellow human beings is the purest form of service to God.

It should be pointed out that equity and social justice in the traditional society were based on the control and effective conservation of environmental resources for the good of all. The collective achievement of the society as a whole was believed more important than personal success. Therefore, democracy, as a tool for growth, must fully recognise this cardinal principle and that land, water, pastures, natural resources and human endeavours still form the core of our human interactions. Even in modernised African societies, there is constant recognition that our world is not made up

of infinite wealth to be granted by those controlling capital, technology and informatics. In other words, the guardians of the civil society should identify renewable and non-renewable resources to make sure these are used to improve the welfare and prosperity of all. Sustaining lifestyles, while dependent largely on nature, is also regulated by an ability to use environmental resources so they will continue to last through the generations.

Furthermore, an important aspect in political relationships handed down from African traditional society is the importance of dialogue. Many analysts from the industrialised world find it difficult to fully understand the sophistication of such dialogue, or indeed its effectiveness. In traditional societies, dialogue was employed to disseminate all information affecting the community or society. This was done by word of mouth, by horse or mule riders blowing horns or beating drums. Information was relayed from one strategic point to another through selected individuals. Dialogue was also used to sensitise society to the different ideological notions of its leaders as well as to call individuals to sacrifice or war.

Unlike modern societies where information belongs only to the wealthy and powerful, often using it to subjugate the masses, in the traditional society information was generally accessible to all. In a traditional society's organisational structure, information, dialogue and social interaction were maintained not only within each unit or sub-unit, but also between units all the way from the top to the bottom. Thus, changes or innovations desired in the social framework were made according to the real needs of the people.

Equally important in the traditional society was that justice and equity were a goal at the grassroots level. This perspective did not go against the order of the day or threaten the socio-moral fabric of the community. It was reinforced by an almost holistic view of life where certain actions were forbidden because of traditional

or religious beliefs or taboos. For example, it was considered socially undesirable, or morally degrading, for a leader to make huge profits by swindling his people or hijacking the economic development machinery for his own personal gains. This was the basic tenet upon which African democracy was understood and structured. This tenet does not necessarily contradict liberalism, which encourages privatisation. However, guarantees must exist that capitalism, commercial land ownership and all large establishments or conglomerates do not alienate landless peasants, or create a permanent working class or an estranged marginalised society.

This leads us to conclude that in the historical transformation process, from traditionalism to modernism, the emancipation of all people in the socio-economic order is an important element of political pluralism. Although some would argue that in reality African traditional societies were more emancipated and on a relatively higher philosophical and intellectual plane than generally recognised, emerging modern democracies must provide for effective participation of all in politics and development. In the communal interactions described earlier in this chapter, especially those related to collectivism and sharing a common goal, the people have played a decisive role. They performed such critical chores as hunting, collecting firewood, water, acquiring of food, herding livestock, maintaining health and sanitation and even building houses, which in some tribal societies largely rested on the shoulders of women and young people. Moreover, grassroots nation-building has always called for the active participation of all people in the development process. Therefore, democracy without full participation of all a society's members would have limited impact on the prosperity of that society.

Another conclusion is that a democratic transition should be based on principles of egalitarianism, reflecting mankind's struggle for perfection and supremacy over eco-systems. Philosophical or intellectual exchanges of knowledge must be carried out through a democratic process, so that every nation, whether rich or poor,

has the right to access science and information technology to govern better and improve global relationships. In other words, we should not presume that the mere adoption or declaration of plural politics guarantees democracy, just as membership in a global organisation does not guarantee Africa an equal voice with advanced industrial nations. Such practices must be implemented and practised by leadership and the entire population. In this regard, modern theory on African development comes from models of socio-cultural and economic changes established by traditional rulers and handed down over the ages. Of course, these have been modified and perhaps perfected through interaction with modernised means of information dissemination.

However, traditional societies in Africa have always been highly sensitive to and conscious of the world around them. They have also been fully aware of the consequences of the micro- and macro-political decision-making mechanisms with authority over communal work, widespread and common in many traditional societies in Africa. For instance, in many African countries, people were called to perform communal work by the chief's drums. In Tanganyika (Tanzania), the obligation to perform team work (Ushirika) was enforced by traditional chiefs. Failure to observe communal responsibilities was treated with contempt by the people, often causing an individual to lose social standing in the community or risk being ostracised.

It is important to state that total benefits to the people should be measured in terms of the social investments made, such as those made in education, health and security, relative to their basic needs at every stage of development in the democratic process. The process must also take into account structural changes in socio-economic variables, including the inclusion of agrarian structures and pastoralism. The process should also reflect rural communities' efforts and aspirations as well as the challenges arising from attachments to culture and tradition amidst constant change in the environment and socio-economic order. A curious contradiction exists in the behaviour of some

African leaders. While they welcome change and advancement for the civil society, they also fight hard to maintain their ill-gotten advantages. This contradiction is sometimes reflected in their hesitation to adopt social reform, embrace self-help, and work toward the advancement of the individual within, while at the same time claiming to place importance on popular participation in the development process.

ECCLESIASTICISM

The African experience shows that ecclesiasticism as an aspect of democracy and governance is as old as time itself. Over the past 150 years, ecclesiasticism has also emerged as an important aspect of global democracy. Any discussion of African democracy, therefore, is not complete without relating it to ecclesiasticism. This is because an African is essentially a religious person. To an African, religion is a form of spiritual perfection, a form of identity and a means of communicating with God the Creator. For this reason, ecclesiasticism has long played an important role, from the early traditional societies to the present civil societies, within the context of economic management, democracy and politics. Evidence suggests that even before the advent of Christianity or Islam in Africa, traditional societies believed in the existence of a 'supreme being' through the medium of ancestral spirits. Today many Africans believe that God is omnipotent and a spirit; that God never changes and is all-knowing; that God is ever-present and has no beginning or end; and, that God is holy, good, merciful, compassionate and forgiving. In essence, Africans see God as their benefactor, provider, protector, father, friend, teacher and companion. Therefore, to alienate Africans from God constitutes the greatest breach of human rights.

To most Africans, religion has always been the very essence life. This explains why African religious leaders wield more influence in society than they do in other continents. In other

words, democracy and good governance cannot be wholesome if God is left out of the equation. In another sense, it does not matter whether an individual believes in idealism and worships a tree, a stone, a mountain, the sea, a river, the sun or the moon, the end-result is the same – there is a 'supreme being' somewhere who watches over whatever is taking place on this Earth. This 'Supreme Being' speaks to people through the spirits of the dead who, in turn, communicate with the elderly in a society or community. It is therefore believed that an indestructible link exists between what an individual African does, his relationship with God, and the economic and social rewards he or she obtains in life.

It is no mere coincidence that among 'radical' and 'moderate' economists a consensus exists that religion has made significant contributions to democracy and the socio-economic advancement of the African people. So important and varied are the religious dimensions of this issue that this text can only discuss a few of them.

The first contribution of ecclesiasticism has been to education. Missionaries were Africa's education pioneers and until quite recently the best schools in Africa were run by religious institutions. In fact, most of the early Africans graduating from overseas universities and institutions of higher learning were sponsored by missionaries or religious groups.

The second major contribution of ecclesiasticism to the civil society is in the area of social development, especially health. Here again, some of the best hospitals, clinics and dispensaries in many parts of Africa are run by missionaries. Even when it comes to satisfying 'basic needs', missionaries continue to perform tremendous services through charitable and humanitarian efforts. It was missionaries who, even during the colonial era, recognised the value and dignity of the African as a human being.

Agricultural and industrial development is a third area in which missionaries have rendered service to Africa, although this was

later overshadowed by the activities of foreign-based companies and transnational corporations. Missionaries established plantations for cash crops, such as coffee, cotton, tobacco and cattle ranching, largely to feed their Christian communities, but also to generate surplus incomes as a basis for self-sufficiency. In Southern Africa for instance, the Providence Industrial Mission (PIM), Zambezi Industrial Mission (ZIM), the Nyasa Industrial Mission and the Universities' Mission to Central Africa (UMCA), and the Dutch Reformed Church Mission (DRCM) were all engaged in agricultural and industrial activities. They introduced new crops to Africa as well as new methods of agriculture and animal husbandry.

Missionaries have also had a profound impact on the development of political consciousness and eventually political emancipation in Africa. In fact, some of the earliest known political awareness in Africa was recorded in Malawi following the 'uprising' led by Reverend John Chilembwe in 1915. Thereafter, many political movements for independence in a number of African countries were led or sustained by the clergy. The basis for political intervention by the Church has always been a belief in human rights and the dignity of human beings; for indeed, 'in the eyes of God', they preached, 'all men are created equal'.

In terms of accountability and social justice, Christianity and Islam alike considered it evil for a person to overcharge another person in day-to-day commercial relations. In traditional societies, it was bad to steal or cheat as this provoked the wrath of the ancestors' spirits. The occurrence of drought, famine, pestilence, war and other epidemics was considered a punishment by God, because someone, somewhere in the society, had displeased the spirits. Sometimes people were punished for the misdeeds of someone who died many generations earlier. Sometimes the community was required to part with some of its prized possessions to offer as sacrifice for the remission of their sins or misdeeds.

We can therefore infer that religion and democracy are two interrelated elements encompassed by African economic thought. An African generally cherishes religion and considers freedom of worship a human right. Any violation of this cuts across his very understanding of life. It is, therefore, no accident that religion figures prominently in emerging democracies as well as in the political, economic and social discourse of African leaders. This also explains why African missionaries now preach the gospel in Europe, North America and South East Asia. In fact, evidence suggests that any leader pitting himself against religion will swim against the tide. History is full of political movements in Africa where religious figures pioneered and stood up for liberty and freedom. This is because in the struggle for independence, church leadership in many African countries played an important role in political emancipation.

The foundations for social justice at the African and global levels, therefore, firmly rest on religious beliefs that transcend national boundaries, racial background and political ideologies. This principle is embodied in the Universal Declaration of Human Rights, which among other things asserts the right of every individual to pursue the religion of his choice. Emerging democracies should therefore ensure that no violation of religious beliefs occurs, as this would be a violation of a fundamental human right. Where the political system is designed to prevent any portion of the population from participating in the religion of its choice, the end result will always be violence.

We can assert that African democracy, viewed from a religious and human rights point of view, opens up new perspectives in the theory of international relations and provides challenges to modern African economists. It challenges modern economists to be sufficiently far-sighted in order to prevent Africa from plunging further into socio-economic catastrophe. In other words, society must achieve self-sustained economic growth and religion must play a critical role in that process.

CHANGING THE FUTURE

We now move to another pertinent issue of the African dream regarding change for Africa's future and how democracy and the political process might be internalised so that ordinary people, even those living in rural areas, can understand their basic rights and responsibilities. Such internalisation should not expect governments to provide people with their basic needs, such as food, shelter, medicine and clothing; it should provide new platforms for people to present their cases and be heard. Each individual is expected to support a common identity, a common purpose and a common destiny. Internalisation entails creating an environment in which human rights, basic freedoms and civil liberties are respected and guaranteed, and the rule of law is adhered to. It also includes a vision of countries where people are free from endemic poverty, hunger, malnutrition and disease; where all citizens are free to invest in business or engage in the economic pursuits of their choice; and, where politicians realise they are elected to serve the people, that their work depends on their trust, and that if their trust is betrayed, the politician must step down and allow others to take his place.

In recognition of this intricate political and human relationship among democracy, traditions and the law, Olusegun Obasanjo, former President of Nigeria, had this to say:

> "In a number of African countries, new political systems rooted in their traditional culture emphasising democratic principles, respect for human rights and obligations, freedom with responsibility, and peaceful and orderly succession, are being sought by a painful process of trial and error. But they must be our own, designed by us for ourselves. These may not fully satisfy the democratic ideals, principles and practices of the West, but we must be free to learn from our own past and from history."

We agree with this observation. It reflects the fact that the experiment in multi-party democracy is new to the African region and that judgment of it might be considered by some as premature. However it is equally true that when a child is born, parents can

easily tell if it will grow into a normal child, be deformed or mentally handicapped, or if it will survive at all. Hence, the discussion whether many countries in the region measure up to the expectations for plural democracy or not is relevant in determining if countries are on the right track.

Some argue that African countries now enjoy fundamental freedoms never imagined possible before. This is true. But others also argue that in achieving the objectives of democracy, we should recognise that such democracy cannot flourish in a vacuum. The changeover from one-party dictatorships to multi-party liberalised political systems must also bring about accompanying changes in political and economic structures. According to these observers, countries where political transition is envisaged should discontinue the use of institutions, laws and regulations that were designed to support colonial oppression or one-party autocratic regimes. Moreover, borrowed ideologies, as currently designed, cannot assist countries in sustaining democracy, to the extent that they were designed to suit conditions irrelevant to solving the problems of mass poverty and underdevelopment. It is a fact that aid policies are not aimed at any real development of Africa, but at sustaining the basic interests of donor countries.

This is why some analysts have argued that foreign aid is puzzling. Donors give so much only to take out more, and each dollar allocated for aid is a link in the chain that perpetually binds millions of lives to perpetual dependence. Furthermore, foreign aid has not helped development fast enough, because it is used as a 'life-support' mechanism. In spite of large sums of money allegedly 'given' to countries each year, nearly four-fifths of the total population is still threatened by hunger and malnutrition and falls prey to wholly preventable diseases and epidemics. In fact, the ordinary people at the bottom are not entirely oblivious to this situation. On the contrary, they watch with disbelief as economic and social prosperity pass them by and corruption robs them of even the slightest chance of a better life.

Looked at from another angle, say some, economic prosperity is not shared with the people in many African countries. They base their observations on cases where crafty politicians have used multi-party democracy to merely grab power, and once this is achieved those who promised to work for the poor and power-sharing now blatantly rob them of their chance to develop through corruption, unbridled greed and the theft of public funds. This is a situation to which politicians may have to answer.

This problem is further compounded because the way development institutions are designed makes it hard for Africa to develop without assistance from donors, let alone outside economic systems predetermined by the G8. The process of integrating production factors into an intelligible model for political reforms requires very sophisticated tools. At this point in time, no one single model, or any group of models for that matter, can adequately take into account the strategic-cum-military interests of the donors in Africa. Therefore, a new political model needs to be designed to ensure that domestic resource management fosters self-reliance, to the extent that we know aid to Africa has never been sufficient and must be supplemented by each country's own domestic, human and natural resources.

8

PEOPLE WHO NEED PEOPLE

"Our greatest resource is people. They usually have no understanding of modern technology and the discipline it requires. They do not understand the problems of macroeconomics, foreign exchange, and the subtleties of democracy. And so on. But they have skills and knowledge which are of vital importance to them, and to their development. They are skilled in survival. And with all these problems, these so-called uneducated people still demonstrate again and again, their ability to learn new techniques of production."

(Julius Kambarage Nyerere)

THE CIVIL SOCIETY

From the preceding chapter, we have learned that the design of appropriate structures for political governance and managing democracy in Africa must be people-centred. We begin this chapter by stating that for democracy to be sustainable, the civil society must have a clear vision of what it wants to become. Therefore, maximising people's welfare must be an integral aspect of the development paradigm. The vision must be shared by all and transcend ethnocentricity as well as political, tribal, racial and religious affiliations. In this regard, stakeholders, and the populace at large, must fully understand their respective duties and obligations to the nation under democracy. These involve a whole range of issues that will be discussed in the next five chapters. The point we wish to make here is that multi-party democracy calls for shared common

values, which leadership is determined to abide by and with the full co-operation and support of the citizenry.

Leaders need to have a clear vision of their country's future and how it relates to the improved well-being of the nation. Where such a vision does not exist, the nation-state will drift aimlessly, like a ship without a sail, and will not be able to shape its future. In order for a vision to become a reality, democratic ideals must be freely shared and the will of the majority over the minority must be tempered by a desire to ensure the full participation of every citizen in the democratic transition. We must recall that in the African tradition, systems of appropriate consultation existed, ensuring that the majority did not dampen the enthusiasm of the minority. In other words, democracy was achieved because every citizen understood his or her role within the tribe. Africa needs to establish common institutions for democracy, on which a common vision can be built. Moreover, a new framework for Africa is crucial in order to avoid power being usurped by strongmen who would readily cast aside their nation's vision to consolidate their power.

The challenge facing political leadership is that, in most countries, a common vision has yet to be agreed upon, and platforms for national dialogue are at best rudimentary. Therefore, national debates are imperative so that civil societies may express how they interpret democracy and the sharing of power. According to some, democracy is a non-visionary value judgment, one in which people at all levels of society are on the receiving end. However, according to the copious amount of literature on the subject, democracy also seems to vary according to people's perceptions and socio-political backgrounds.

It should be noted that several different forms of democracy are being discussed in national forums. These include traditional democracy, participatory democracy, constitutional democracy, parliamentary democracy, capitalist democracy, one-party democracy and multi-party democracy. In order to appreciate this plethora of democracies, it is important to point out that in

Southern Africa multi-party democracy has emerged as a possible means of improving the relationship between the ruling party and the opposition, as well as the government and the people.

A multi-party democracy is a political system in which several political parties with different philosophies, strategies and programmes exist, and according to constitutional law have individually, regardless of whether or not they are represented in parliament, equal standing *vis-à-vis* the rest. In this regard, it is the hope of all African people that multi-party democracy will usher in a new era of understanding and political tolerance, bringing peace and stability which will foster economic recovery, growth, and development leading to the alleviation of poverty.

A major aspect of dialogue in a plural democracy is the symbiotic relationship between the economic and socio-political processes, since in many African countries political leaders invariably control economic policy. This results in the design of economic development programmes within narrowly defined political superstructures, making it difficult to isolate purely economic norms from purely political ones. When studying the normative political sciences in the region, scholars are left wondering where politics end and socio-economic development begins at any given time. However, a materialistic approach, or its interpretation, often lands government in difficulties, begging the question as to how economic development can objectively be discussed outside political considerations and influences. This interconnection during the early stages of political independence became manifest in confrontations between the ruling classes, or elite, and the working classes. In an attempt to establish a workable system of governance, some countries proclaimed African variants of 'Marxism', 'socialism' or 'communism', especially during the cold war era. Sometimes this was incorrectly labelled 'African socialism'.

A global consensus has emerged that the basic principles of democratic dialogue include: the ability to coexist with those who

have opposing views by expressing tolerance and understanding; deliberations, consultations and dialogue; common ownership of the political process and the sharing of power; adherence to the rule of law; and, guarantees of human rights, basic freedoms and civil liberties. This has created a battlefield where opposition and ruling parties confront each other, the latter sometimes interpreting democracy outside constitutional provisions. When this happens, the essence of participatory democracy is destroyed and the aspirations of the people at all levels of society are not taken into account. Many would call this type of governance dictatorial or autocratic. In other words, democracy is a system in which governance occurs through the will of the people and in which every citizen has equal access to fundamental rights and freedoms, regardless of religion, social background and political belief.

The development of a national consensus for managing the development process is not static, and thus must be viewed within dynamic parameters that continue adjusting to new domestic and international situations. More importantly, a national consensus requires leadership to shoulder the heavy responsibility of national capacity building, using its qualified engineers, economists, sociologists, scientists and the civil service, across the political divide, to ensure that all citizens are given the opportunity to contribute their best to the development process. It is also critical that special interest groups, such as churches and civil rights groups, assist in creating a political system that is accountable to the people and transparent in its day-to-day functioning. Above all, democracy must imply the ability to accept honest criticism and learning to adjust if things do not work out well for the electorate.

Based on this paradigm, democracy is not a 'numbers game' as some writers would have it. Rather, democracy means consensus building. It is the art of getting everyone in a society interested in improving the welfare of the nation as a whole. It is

about creating a *modus vivendi*, or way of life, in which the majority learns to accommodate the minority, carrying them along with them towards economic transformation and prosperity. In other words, democracy means working together towards a common goal, for one and for all.

THE WINNER TAKES ALL

Perhaps the most difficult challenge to developing a national consensus in multi-party democracy has been the idea of 'winner takes all'. This arises when, following the elections, the winning party forms a government that does not include opposition parties. Although the concept of 'power to the people' has become popular in African political slogans and campaigns, 'co-owning' democracy by sharing power has often been difficult to achieve. As demonstrated in the six previous chapters, democracy does not exist without people. Therefore, returning power to the people must be examined within the context of the state's duty to make sure the voices of ordinary citizens are heard. We also analysed the interrelationship among the issues of political tolerance, rule of law, social justice, human rights and leadership as important ingredients of democracy.

This chapter will show how economic power can be shared through an effective system of transference, which presumes that the people can all learn to live under one roof. An important issue addressed in this chapter is that, although the people have voted for multi-party democracy in several African countries, multi-party governance still does not exist, nor does it appear that the people have learned to live together under one roof. Concern exists that, as we move deeper into this millennium, no formula has yet been broadly adopted for strengthening multi-party democracy in Africa. Conflict remains among the various political stakeholders around the question of whether the multi-party experiment has been successful or not. Here, we need to emphasise the importance

of a shared common vision and remind ourselves that multi-party democracy is like a fruit tree. It must be fertilised, watered and blossom before it bears fruit. Taken in this sense, building consensus around major development policies is vital if policies and programmes are to strengthen multi-party institutions.

Although multi-party democracy breeds political instability, it is imperative that joint mechanisms for economic governance be built. Opposition political parties must accept the leadership in power and only take over governance through the ballot box. This is important because, if government fails to govern, a country has no sense of direction and drifts aimlessly. In other words, if leaders on opposite sides of the political divide do not understand that economic development does not happen by chance, the State won't be unable to motivate citizens to generate wealth. To that extent, the people of Africa may not appreciate the results of multi-party democracy if no power-sharing agreements are in place. Window-dressing will not help to alleviate the fear that multi-party elections only bring about changes on paper, and those in power remain attached to the old system of governance – the winner takes all. Remember, just because democracy exists does not mean that civil liberties are actually guaranteed.

We have also noted that general elections in several African countries have offered ordinary people new opportunities to exercise their right to choose who they want to govern them. However, the path towards full participatory democracy remains long and weary. In spite of this fact, people should still insist on freedom of expression and political choice. They should also be free to form or join any political party they choose. Over the past several decades, general elections have brought political parties into power that formed governments without a clear vision of how to integrate opposition parties so they might contribute towards strengthening the democratic process. The truth is that, while freedom of association was guaranteed by the national constitutions, the experience remained different, suggesting that power-sharing has yet to be achieved.

Some observers contend that the outward appearance of democracy malfunctioning is really the stakeholders refusing to adopt a spirit of healing, forgiveness and tolerance, a necessary prerequisite for multi-party democracy to succeed. This situation must be viewed with the understanding that governments are generally apprehensive about opposition parties' desire to share power, since they so often want to bring down the government and take control. Consequently, general discussions rarely take place between government and the opposition regarding how the latter might contribute to the democratic process. Instead, evidence suggests that all parties spend huge amounts of public funds on litigation against leaders for alleged misdeeds.

The absence of a *modus vivend*i among political parties has been due to a lack of commitment by leadership within the parties to provide guidelines and direction on how to dialogue for the common good of the people. In fact, some observers are concerned that political parties have actually relinquished their duties and responsibilities as leaders of the democratic process. Some politicians have even turned political rallies into campaigns to discredit others and spread false information. This has led critics to argue that when a leader of a political party fails to exercise self-control and moral restraint in public pronouncements, eventually the electorate will lose confidence in the political system as a whole.

Many observers feel that the cumulative effects of political instability in Africa cannot be blamed solely on governments or heads of state. All politicians must share the blame. These scholars feel that a number of political opportunities for forging national unity, healing and reconciliation, forgiveness and for achieving harmony have been missed because many political party leaders are motivated by hate, greed and self-preservation. Consequently, Africa is now passing through the most difficult time in its history. One of the frustrations commonly expressed is that, while people were led to believe that positive changes would result from multi-party democracy, they now face instead a situation

where the democratisation of political and economic processes has not resulted in more options being made available to them. Both government and the opposition have not accepted criticism from the people; all supporters are expected to support their party's policies and programmes without question. Rural communities, in particular, which constitute the bulk of the population, have not been given adequate avenues to express their choices or suggest a way forward.

An African consensus now exists that democracy is an important instrument for good governance and power-sharing. It is also essential in order to strengthen bonds of kinship within and among the various ethnic groups. Not doing so will lead to failure in harnessing Africa's potential for sustained growth and development. Therefore, many suggest that traditional chiefs become an integral part of the development process and provide the balance among the major political players in the economy. In order to achieve this objective and to overcome these initial problems, the proposals in the next few sections need to be debated openly in order to arrive at a common understanding.

People all over Africa are discussing the need to establish a framework with a broad-based mandate to examine how political power might be shared with the people. People have started questioning the 'winner takes all' philosophy. They want to redefine the roles of leading politicians and important political players so that the latter work to improve the welfare of the people. People also want to acknowledge those citizens who have contributed to the political, social and economic advancement of their countries.

It is therefore necessary to build political consensus involving the road masses because the transitional changes that have been taking place haven't convinced everyone that multi-party democracy has brought reconciliation among different interest groups. There have been no corresponding philosophical or institutional changes ensuring that all citizens in every country, regardless of their political beliefs, will be able to contribute to

the development process in their respective nations. People have also feared that ethnocentrism and tribalism will not be given a place in the new political framework. They had hoped that the new structure and representation in decision-making would change, allowing all Africans, regardless of their race, sex, colour, tribe or creed, to have access to full protection under the law. This has not been the case, and millions of people have now become disillusioned by what has happened during the first five years of multi-party democracy. For one, the ruling parties, like their predecessors, have allegedly been involved in atrocities, brutalities and murders. Such acts do not help heal the wounds of the past. Families, relatives and friends of those killed in dubious road accidents, burning of homes, ranches and farms, bombings and kidnapping are entitled to know who perpetrated such crimes against humanity and receive justice; however, they rarely do.

In such a contradictory situation, political proclamations about sharing the fruits of democracy do not always concur with what actually happens in practice. While everyone agrees that a government has the right to adopt any system of governance it wishes, within the provisions of a country's constitution, many observers feel that human rights or law commissions should be allowed to review and make sure that governments adhere to the provisions of their constitutions. It is also imperative that governments match declarations about multi-party democracy with commitments to make the experiment work.

In another context, those in power and the opposition both need to show tolerance and understanding, and accept that in plural party politics differences will always occur and opposition leaders are not enemies of the government. This being the case, discrimination against political parties not represented in parliament is not justifiable in a civilised society. Power brokers must accept that all political parties have the right to freely participate in all general elections, by-elections and local government elections without hindrance. To that end, they must agree to put the following mechanisms in place to ensure free and fair elections.

First, a periodic review of the demarcation of political constituency boundaries must take place and in a transparent manner. It should be based on non-discriminatory consultation with all political parties, regardless of whether or not they have representation in parliament.

Second, a comprehensive voter registry must be updated and made available at all times so that all people qualified to vote can verify they have been listed in the registry. New photo ID voter registration cards must be introduced to support this measure. Photo ID cards will make sure that all voters have been visually verified before casting their votes. In fact, governments should introduce permanent national identity cards which can later be used in future elections.

Third, government and opposition parties should agree on new ground rules for selecting election-monitoring teams. Team members should be chosen from among people with high integrity and morals and represent a broad spectrum of international and national personalities who have the confidence of the people. New polling centres should also be adequately equipped to handle multi-party elections. There should be zero-movement of ballot boxes and votes should be counted at each designated polling station in full view of independent and impartial monitors.

In order to safeguard democracy, it is imperative that the political system makes sure that no citizen is barred from participating in sharing the nation's wealth because of his opinions or political beliefs. More specifically, governments and opposition parties should issue joint instructions to their supporters, demanding they stop disrupting the political rallies of opposing parties, or destroying their vehicles and stoning innocent people. They should declare such acts to be in violation of their country's penal code and punish perpetrators accordingly under the law. Threats to destroy other political parties or eliminate them are much too reminiscent of the past, and should not have a place in the new Africa. Furthermore, democracy would gain credibility if all

stakeholders agreed to stop intimidating the business community, as this clearly ruins countries and negates the fundamental freedoms to business pursuits. As a way forward, governments should endeavour to create new opportunities for reconciliation with all political parties by developing new mechanisms for continued dialogue to accommodate all views of national interest.

WORKING WITH GOVERNMENT

It is generally accepted that the opposition parties frustrate the government in power so as to take over the government through general elections. If this were not the case, why even form an opposition party? However, if the opposition works to shoot down national programmes that create new wealth or social bills affecting water, electricity, education and health, then economic progress becomes difficult to attain. Under the one-party system, only one political party was allowed to operate. The paradox now under the multi-party structure is that political parties in some countries are constantly devising plans to annihilate opposing party leaders and dismantle their organisations. In some cases, opposition leaders are regarded as unavoidable nuisances and troublemakers who constantly frustrate the government's efforts. However, some political and human rights activists believe that opposition parties play an important role in strengthening democracy.

The main issue is that all registered political parties should have the right to operate in a country within the bounds of the law. They can hold public meetings without hindrance from the ruling party and have the full protection of law-enforcement agencies. At the same time, all political parties, regardless of whether or not they are represented in parliament, have the obligation to make multi-party democracy a success in their country. They also have the duty to offer constructive criticism to the government, providing a system of ‘checks and balances’, something required in successful governance. Opposition leaders should not oppose

government for the sake of opposition. Where no major differences exist on issues, the opposition should have the moral courage to support government programmes that promote the prosperity of the nation.

Most political analysts agree that the participation of opposition parties in the development process is the *sine qua non* for a successful multi-party democracy. They deplore when democratic institutions, such as national radio, become monopolies, denying some players legitimate access to those institutions. Since one of a country's main contributions to democracy is to educate its supporters on appropriate ways of participating in development, all political parties must be treated equally and fairly as a condition for development. It would also be useful if opposition leaders would agree to hold regular meetings amongst themselves and adopt a common stand *vis-à-vis* the government on issues that affect them all.

The challenge for political leadership is to recognise the needs of minority or special interest groups in a democratic system. This becomes important in a society where most people live in rural areas away from the hub of political activity in town centres. The need for a representative body to advocate for programmes benefiting the voiceless cannot be overemphasised. The civil society contains 'minority' groups, which must be protected. These include the elderly, some religious groups, albinos, people with disabilities and children. These groups have the right to protection under the law without discrimination. They also have the right to enjoy the fruits of development, a better standard of living, adequate food, appropriate shelter and clothing. They, in turn, have a moral obligation to support the implementation of multi-party programmes. Many Africans fear that if the multi-party system fails and the ruling party is allowed to slide back into a de facto one-party state, then all hopes raised in any referendum will be dashed. Once the system is established, everyone has an obligation to ensure that it works well.

For genuine participatory democracy to succeed, the people must be empowered so that they can truly contribute, without fear or hindrance, to the political, economic, social and cultural advancement of their respective countries. For this to happen, the various interest groups must find ways to ensure that their views are heard and incorporated into government decisions or new legislation. Moreover, co-existence must be assured, regardless of differences in the political philosophies adopted by the major stakeholders. It would, therefore, be a great tragedy if democracy became detached from the people and were allowed to drift without direction while political leadership concentrated on self-survival. Therefore, real power-sharing must be fought for and achieved through constant dialogue with those in authority. An important element in empowering the civil society, which has not been given the chance yet to participate in democracy, is the establishment of a representative body, such as a senate, to give the minority a voice.

It was in full cognizance of this that Constitutions of some African countries provided for the establishment of a senate, a non-legislative body composed of senators, who are indirectly elected by three different groups: (a) district councils who each elect one senator, (b) traditional chiefs who elect from among themselves one chief from each district to represent them, and (c) an agreed number of senators from interest groups which include representatives from women's organisations, the disabled, education, farming, the business community, trade unions, public service societies, and religious groups.

Some constitutions further provide for the senate to have a wide range of functions which include the following: (a) to receive, scrutinise and amend bills from the parliament or national assembly, (b) to vote motions to confirm or remit bills passed by the national assembly, (c) to debate any issue on its own motion, initiate private members' bills and vote motions on any matter, including motions to indict or convict the president or vice- president by impeachment, (d) to exercise such other

functions and powers as are conferred on it by the constitution, (e) to carry out such other functions as may be delegated to it by an act of parliament, and (f) to take all actions incidental to, and necessary for, the proper exercise of its functions.

In analysing the framework for the co-existence of political parties, some scholars have stressed that the three basic principles of a democratic government are first, discussion and deliberation; second, political equality; and third, freedom from or absence of tyranny. Therefore, the participation of traditional chiefs in the development process as provided in the constitution is vital to the success of democracy and should not be downplayed by any democratic government. Analysts argue that establishing a senate needs to be a priority, so that mechanisms exist which will ensure that chiefs and other interested groups are not passive observers in the development process, but become pivotal in rural transformation. In fact, through such groups, all people would be guaranteed their inalienable right to participate in building Africa at all levels of political, economic, social and cultural development. More specifically, the chiefs are the custodians of Africa's traditions, customs and culture on which true democracy can be founded; they ensure that the legacies of our past are handed down from one generation to the next, thereby preserving Africa's heritage.

THE PEOPLE-CENTRED FRAMEWORK

In continuing the discussion on people-centred democracy, it is essential to point out that multi-party democracy, like a building, has various components – the building blocks – which must painstakingly be put together, one on top of the other, until the structure is complete. In the context of the civil society, local traditions and cultures are the building blocks. Democracy without traditions would be like a building without a foundation. This is fundamental in understanding how various types of democracy in Africa would work. Based on the different definitions of democracy,

it is evident that the institutions for effective multi-party democracy have yet to be established. Building a viable multi-party structure in a country resembles the work of a colony of bees. The bees work in perfect harmony, each belonging to a recognised section, group or department, each performing a specific task. For example, bees may be workers, soldiers, guards or baby-sitters, but all carry tiny morsels of honey, each weighing only a fraction of a gram, and place them in the collective beehive. All the bees continue to work until the hive is filled with honey. This is also how a multi-party democracy is built. All players – all three branches of government, the opposition parties, non-governmental organisations, trade unions, civil servants, religious groups, traditional chiefs, young people, individuals with disabilities, donors and international organisations – must support each other in building the nation. Therefore, the objectives of multi-party democracy cannot be achieved where political harmony does not exist and where the largest segment of the civil society is a silent spectator.

Socio-political intervention for building multi-party democracy needs therefore to be based on principles of egalitarianism and overcome the struggle for supremacy of one tribal or ethnic group over the others. Philosophical or intellectual exchanges of political knowledge must also occur, by way of the democratic process, so that every individual may acquire such knowledge and be heard. In that regard, we must remember that modern theory of African political development comes from socio-cultural and economic intervention models laid down by former colonial masters. Therefore, caution must be exercised to ensure that, at each stage in a society's development, the sum total of the people's welfare is measured according to the amount of social investment made in such areas as education (not just schooling), health, and food security relative to the basic needs identified earlier.

In that regard, structural changes in socio-economic variables must guarantee that the introduction of democracy upon traditional structures truly reflects the needs and aspirations of the poor, rural communities. This would help address the

problems arising from the dichotomy of welcoming change and advancement while fighting hard to maintain the status quo and old social values. For example, this would help avoid the situation where a philosophy of multi-party democracy has been adopted, but changes in education, health and social welfare for the majority of the people are slow, negating society's advancement.

Lessons from past experience show that advocating multi-party democracy does not guarantee political liberalisation. It is a matter of concern, therefore, that after several years of the multi-party experiment in many Sub-Saharan countries, the poor are still not included in the major decisions affecting their lives. It is also sad to see that the masses have been denied their human rights and chances for better standards of living because of greed, corruption and theft of public funds.

The experience of many countries shows that managing people is a very complex and never-ending process. In African politics, both under one-party and multi-party systems, ensuring a spirit of tolerance or compromise has always been of great concern. Such tolerance is required of all political leaders, regardless of whether they are in the government or members of the opposition. Politicians always seem to forget that in a free and open society, conflicts will always arise and power is exercised through a series of compromises in a spirit of give and take. It is sad that political parties never seem to accept that just because someone is different they are not necessarily an enemy, and that when the opposition offers constructive criticism, it should be taken at face value. At the same time, the opposition is often intolerant and does not want to wait for its turn to rule. Success therefore entails an agreement between a president and leaders of the opposition aimed at ensuring political stability in their country. In that regard, many observers feel that the lack of political tolerance seriously jeopardizes the growth of multi-party democracy in Africa. The tradition of hatred between ruling and opposition parties runs deep. Furthermore, attempts are often made to justify mistakes by blaming others. In fact, the policy of

revenge and retribution remains prevalent, causing people to lose confidence in the political system.

THE SINGER NOT THE SONG

Let us now examine the role of the major stakeholders so that we may understand the interrelationships that must develop in order to sustain democracy. We shall begin by observing that, in some African countries, confusion has arisen with regard to the respective roles of the ruling party, opposition parties and the civil society. This is partly explained by the fact that leadership has failed to decide where the country should go and how to get there. In that regard, the imperative of people's empowerment, by which development projects are implemented directly to benefit the masses, becomes an important ingredient in the leadership package. Therefore, the people, especially those in rural and suburban areas, must always be included in programmes for social transformation, because it is they who face endemic poverty, escalating prices of essential commodities, lack of good roads, hospitals, schools and food.

What then are the lessons for Africa? For a start, we must ask: Do multi-party elections really change the style of governance in these countries? The answer to this question can be derived from the preceding analysis that clearly underscores the need for building confidence as a conscious policy of good leadership and good governance. In this section, we will stress that democracy is a good song, but some singers cannot sing it well. Moreover, if the singer does not know the song or if he sings it out of tune, then the music is spoiled.

A leader who cares about the people persuades them to have faith in him. Multi-party democracy can indeed be an instrument for bringing hope to millions of people. Multi-party democracy is, by itself, a good song; when it does not work, the fault lies with the singers or politicians. In good governance, if a leader is out of tune

with the people, there is a tendency to pursue policies and strategies that do not address the real concerns of most people. The faith and trust of the people is betrayed. The leader might be tempted to use undemocratic means to stay in power. Therefore, true democratic leadership means that those in power do not create chaos, but lead by building people's confidence.

Concern is generally expressed that in some African countries militant fundamentalism seems to be taking the place of sound leadership judgment. A few militant cabinet ministers have managed to hijack the political process, relying on brutal instincts rather than reason to govern, and stopping at nothing to destroy those standing in their way. The common concern of the civil society is that the legitimacy of multi-party governance is being seriously undermined by unconstitutional acts.

In that sense, no one can deny that where confidence exists between the governor and the governed, getting people to rally behind a national cause is much easier than in a situation where people have lost confidence in the system of governance. Therefore, building the people's confidence in its political leadership is essential, and the best way to do that is for leadership to be seen as working in the people's interests at all times. Any hint of selfish or personal motive quickly wears out the people's confidence. After over thirty years of governance in some countries, clear guidelines still do not exist on how the institutions for political, economic and social transformation should be restructured to respond to the new challenges presented by power-sharing, hence the difficulties that have arisen.

Countries where no formula for power-sharing exists might, however, take a lesson from their neighbours and borrow from their experiences in political management. For example, Zimbabwe and South Africa both experienced potentially explosive situations, but managed them effectively by establishing ‘an inclusive government’ in which opposition parties featured prominently. In 1980 in Zimbabwe, the leader of the opposition ZAPU, Joshua

Nkomo, was appointed Vice President of the country. In recent times Zimbabwe introduced 'an inclusive government' system of power sharing between ZANU-PF and the Movement for Democratic Change (MDC).

In South Africa, the leader of the Inkatha Freedom Party, Chief Mangosuthu Buthelezi, was appointed Minister of Home Affairs. Similarly, in Malawi, members from opposition political parties served as cabinet ministers, while in Angola, UNITA representatives were given a role in governance.

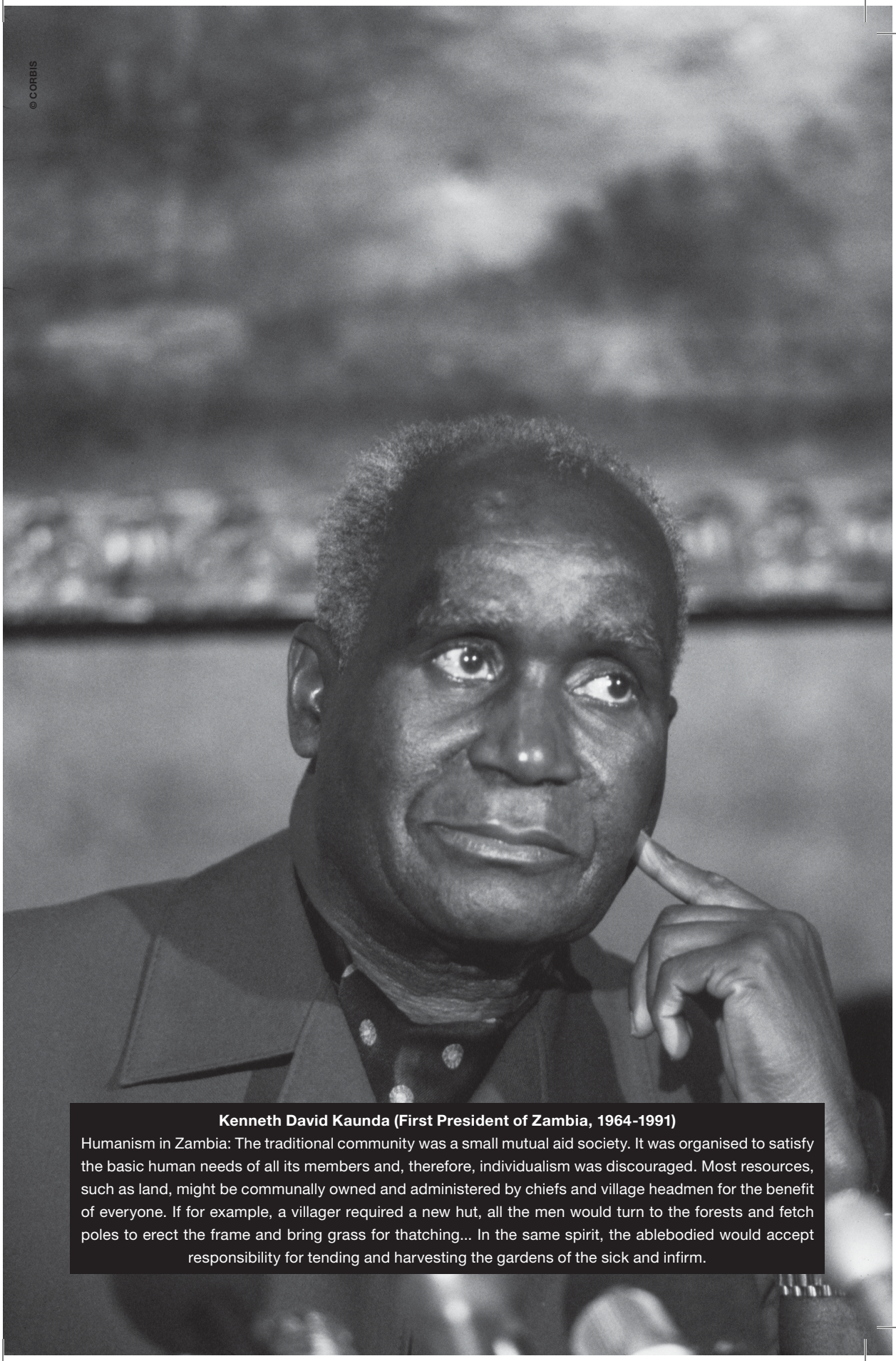
Observers believe that these forms of power-sharing helped underwrite the peace, security and stability in these countries when all indicators pointed to potential civil war. The important factor in these cases was government and the opposition claiming co-ownership of the political and economic development process. In doing so, these countries set a new benchmark for co-existence in a multi-ethnic society and now enjoy peace and harmony, unthinkable before the events that led to the political independence of Zimbabwe and South Africa.

In recognition of this aspect of power-sharing with the people, some scholars observe that while absolute power is clearly unacceptable, a leader should nevertheless provide a clear sense of direction and make hard decisions if these are in the interests of unity, peace and stability. In other words, a leader should not lead by following. Not having a clear management policy would result in the absence of the people-based consultative mechanisms essential for broader participation in developing the political and economic institutions best suited for a country's level of development. Leadership's main challenge and responsibility is twofold. It must have unequivocal commitment towards multi-party democracy and it must avoid discriminating against any political party in the development programmes of its country.

The lesson drawn in this chapter is that good leadership in a multi-party system has the responsibility of seeing that its

country develops and prospers in such a way that all will benefit. In other words, it is the singer who might spoil a good song. For this to happen, leaders need their people's support in order to undertake the policy reforms necessary for growth and development. Experience shows that democracy cannot be sustained in an economy where no growth occurs because governments would be unable to fulfil their promises. Hence, achieving growth and development with equity and social justice is the *sine qua non* for successful leadership. In fact, multi-party democracy requires that all those holding different political views be understood.

This presupposes that all people acknowledge that economic and social transformation will lead to prosperity for all, and that the main task of the opposition parties is to guide the government in adhering to its promises to develop the country. It is, therefore, important that multi-party democracy should not lead to acrimonious relations, especially in parliament or the national assembly, or to the fragmentation of the nation along tribal, ethnic or regional lines. On the contrary, multi-party democracy should bring harmony among different ethnic or tribal groups so they may build the nation together. In that sense, most African countries still have a long way to go before they can claim success in building a multi-party society. In politics, it is generally the singer who spoils the song.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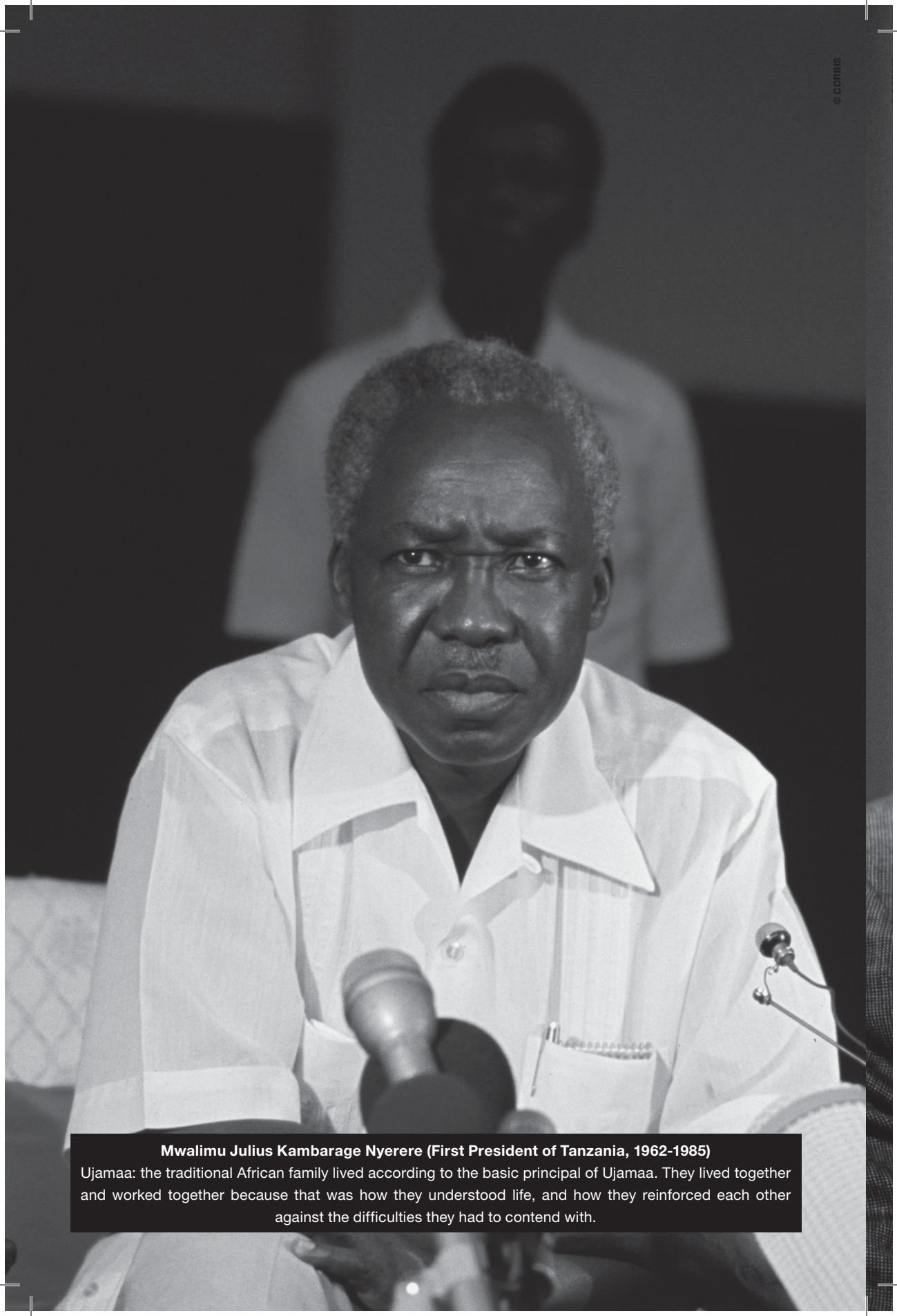
Kenneth David Kaunda (First President of Zambia, 1964-1991)

Humanism in Zambia: The traditional community was a small mutual aid society. It was organised to satisfy the basic human needs of all its members and, therefore, individualism was discouraged. Most resources, such as land, might be communally owned and administered by chiefs and village headmen for the benefit of everyone. If for example, a villager required a new hut, all the men would turn to the forests and fetch poles to erect the frame and bring grass for thatching... In the same spirit, the ablebodied would accept responsibility for tending and harvesting the gardens of the sick and infirm.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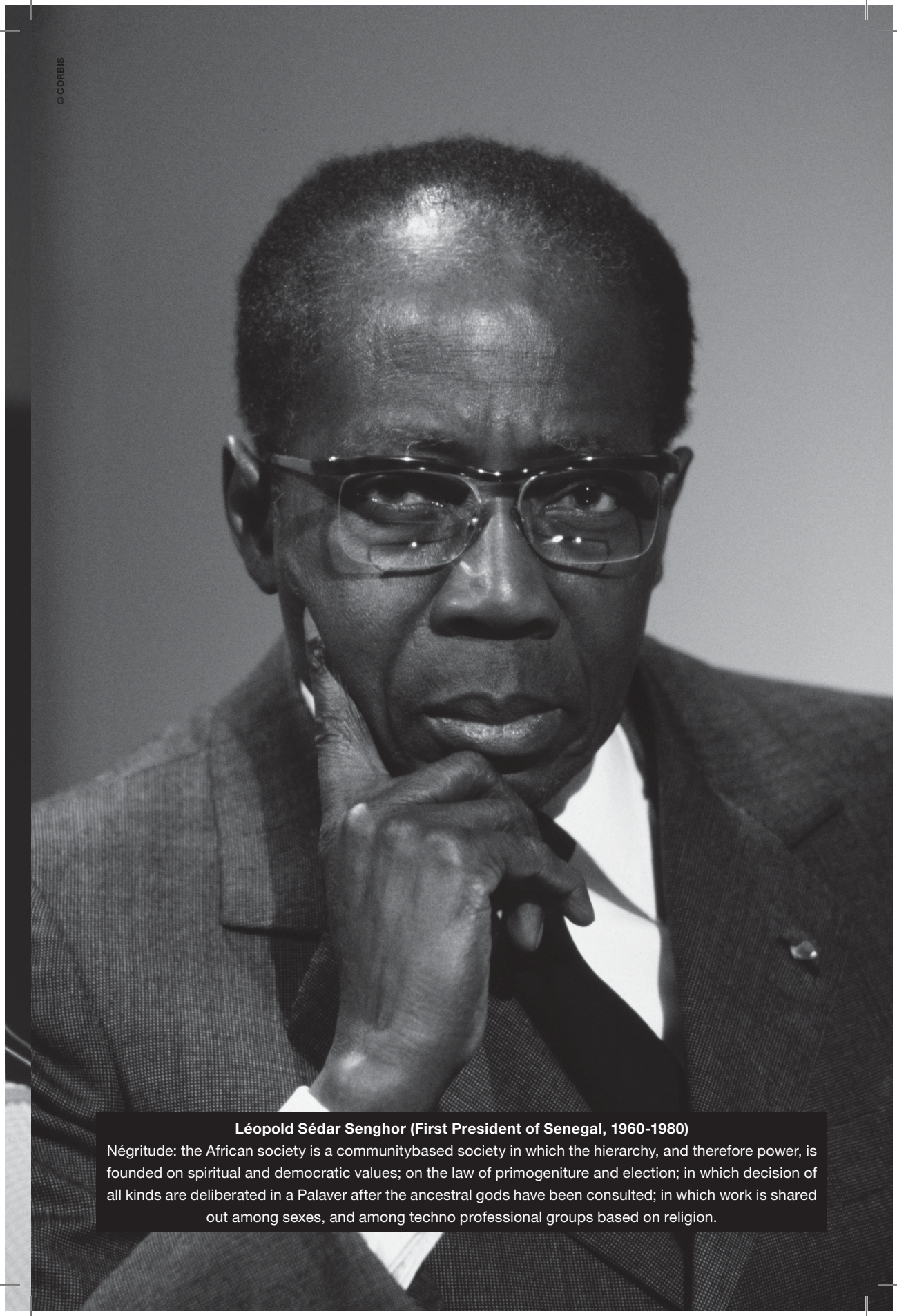
Mwalimu Julius Kambarage Nyerere (First President of Tanzania, 1962-1985)
Ujamaa: the traditional African family lived according to the basic principal of Ujamaa. They lived together and worked together because that was how they understood life, and how they reinforced each other against the difficulties they had to contend with.



Léopold Sédar Senghor (First President of Senegal, 1960-1980)

Négritude: the African society is a communitybased society in which the hierarchy, and therefore power, is founded on spiritual and democratic values; on the law of primogeniture and election; in which decision of all kinds are deliberated in a Palaver after the ancestral gods have been consulted; in which work is shared out among sexes, and among techno professional groups based on religion.

9

EGALITARIANISM

"Egalitarianism is a system of governance through collective ownership of the means of production and where wealth of that nation or society is held by the State and is distributed fairly and equitably. In other words, while all people are not considered to be necessarily 'equal', there is an understanding that the fruits of their collective labour are distributed to each according to his needs."

(Bingu Wa Mutharika, One Africa One Destiny, 1995)

ALL PEOPLE ARE CREATED EQUAL

An interesting aspect of the African vision is the controversy in economic literature surrounding the concept of egalitarianism as a governance tool. Put simply, the *Universal Declaration of Human Rights* states that 'all people are created equal' and should enjoy the same rights and privileges. But are some people more equal than others? In answer to this question, let us say that egalitarianism, in broad terms, means the belief in the equality of human beings regarding access to political, economic and social development within each African nation and the world at large. It seeks to unleash the combined creative and productive forces of the people towards sustained growth and development. It also means the fulfilment of the people's common hopes and expectations in their struggle for political, social and economic emancipation. A political system enmeshed in unbridled capitalism cannot

argue for economic and political egalitarianism in the same way as advocating for socialism does. The question therefore is: Can equality in the development process be achieved without political pluralism? The answer requires a redefinition of egalitarianism to respond to changing attitudes.

In order to understand the principles of African social justice and egalitarianism, we must go back to the time of Africa's political independence. We must remember that African leaders experienced, with dread and despair, a global order heaving under the weight of an unjust social and economic system that refused to accept Africa as an equal partner. Not only has the plundering of Africa continued since that time, but Africa has also been denied access to technology, financing and a voice in world institutions. Partly as a result of this marginalisation and partly due to implementing incorrect economic policies, poverty and deprivation have grown at an incessant rate, reflecting the refusal of those who control the development process to deal adequately with the problems facing the poor in the transformation and economic growth of Africa.

In order to advance this analysis, we define egalitarianism as a social system of collective ownership of production, means and distribution under the control of the State. Government centralizes all decision-making machinery, presumably under the approval of the working masses for whose benefit the means of production are said to be used by the State and distributed equitably. We should note that African socio-political literature does not provide a precise definition of ‘African socialism’. Countries tend to have different views of what socialism means, and their approaches vary according to the current leadership's political objectives and motivations.

In essence, the fundamentals of African socialism can be traced back to the traditional society. Although people were not all necessarily considered ‘equal’, it was understood that all rewards would be shared according to each person's basic needs,

regardless of whether they resulted from collective or individual labour. This concept of welfare distribution was similar to the Marxist system embodied in a communist state. Marx felt that the 'wealth of the nation' should be divided 'from each according to his ability, to each according to his need.' This philosophy was not new to the African traditional society. In fact, no person ever starved as long as he or she had relatives or neighbours who had enough to share.

The second tenet of African egalitarianism was the promotion of populism; hence, the objections to privatisation and wealth accumulation by a few individuals. A lack of honesty exists in this tenet, because those in power often view it as meaning that all the wealth and means of production must be owned and controlled by the state or government. The donor community, on the other hand, pushes for privatisation, effectively transferring wealth from the people, represented by the state, to individuals in the private sector. This dichotomy originated with Stalin, who fervently believed that no individual was entitled to private ownership. The original argument against non-capital accumulation by private individuals came from Ricardian philosophy. This philosophy claims that in a capitalist society the goal of peasants, landlords and capitalists has always been to increase productivity to amass surpluses in wealth for their own personal gain, making them richer than the masses they exploit.

Consequently, some economists argue that co-operative ownership is the best way to ensure that people do not exploit other people, because it places power in the hands of the people themselves. However, some leaders of socialist states did own giant houses, luxury cars and large farms while surrounded by a sea of poverty and degradation. So the dichotomy continued to exist.

It should be stressed that African scholars have always been divided over how egalitarianism as a system of governance should be conceptualised, designed and implemented. This division

arises over the issue of whether egalitarianism as an economic philosophy offers something new to Africa that capitalism does not address. Those in support argue that egalitarianism has a lot to offer, especially since control and ownership of land and the means of production would revert back to the peasants once modern 'feudal lords' have been eliminated. These scholars argue that land tenure, a constant source of friction under capitalism, ceases to be an issue under egalitarianism because peasants, once landless or displaced, are able to own their own land under the new order. They also believe that egalitarianism offers the best deal for the average person, especially when it comes to workers participating in economic decisions.

Opposing scholars argue that African egalitarianism, or for that matter African Marxism, is an ideology born out of the failure of some leadership to generate sufficient development momentum to satisfy the political promises made during the struggle for independence. Consequently, they argue that some leaders used propaganda to 'hoodwink' the masses into believing that efforts were made for them, when in effect the country was experiencing 'zero growth'. These scholars believe that egalitarianism exposes the masses to economic chaos, created through the gross mismanagement resulting from capitalism and imperialism. They would further argue that most African countries proclaiming themselves 'Marxists' or 'socialists' or 'communists' subsequently became some of the poorest in the world, facing acute food shortages, hunger and malnutrition, widespread disease, and declining productivity. They claim that these countries also invariably became designated the 'least-developed' according to United Nations classifications.

In an attempt to explain this controversy, Habib Bourguiba in *The Challenge of Development* (1958), defined socialism as a philosophical approach, stating:

> "Socialism is essentially an effort of search and investigation which man undertakes with a view to adopting reality overcoming the

> contradictions it hides. It is a continual process because it is up to each people to cope in their own way, since their experience is unique to themselves... What is important to the plurality of ways leading to socialism is to define the pursued goals, to know them, to put an end to exploitation... and to give the popular masses the power of decision in economic and political affairs..."

According to Bourguiba, the highest goal in development is simply the removal of impediments to mass participation in all spheres of life. This view was also shared by others. For several decades some scholars believed that, while socialism was not a panacea for solving Africa's development problems, it was the most effective means of combating mass poverty. This presupposed adjustments in policies for development, taking into account the many ways in which an economy moves from a certain level of development to a higher level of full employment and prosperity.

For this reason, some philosophers define development to imply full control and ownership of natural and human resources by the State, and gearing them towards the advancement of society as a whole. Development to them is a condition in which progress is feasible as long as an appropriate factor mix exists. For instance, Furtado in *Development and Underdevelopment* (1964) argued that 'underdevelopment is a state of factor imbalance reflecting a lack of adjustment between the availability of natural resources, and the technology in use, so that it is impossible to achieve full utilisation of both capital and labour simultaneously'. Therefore, from this perspective development signifies an adjustment of inter-related activities within a society whose end result is improvement in the quality of life, the environment, consumption and capital goods, economic, social, political and cultural institutions and, above all, movement towards general prosperity.

This led some African economists to argue that any activity that falls short of satisfying any of these requirements, or that encroaches upon the welfare of humankind, reduces the total 'welfare' of the civil society. It follows, therefore, that in the development process, social, economic and environmental

variables should exist side by side to produce a state of inter-relationship which economists call 'equilibrium'. However, experience has shown that taking into account the dynamism of factor inputs, factor-mix, population composition and technological advancement, no economy can be described as having reached 'equilibrium', neither at a particular point in time nor over a given period. For indeed, some variables, such as social, political or environmental conditions, may outweigh other variables, upsetting the 'equilibrium'. Therefore, for welfare to increase, the entire economy should move from a lower to a higher level of welfare as the development process gathers momentum; however, this may occur without the economy necessarily attaining 'equilibrium'.

If a move toward egalitarianism is the basis for prosperity, four major areas of economic management need to be clear: economic or material progress for all levels of society; political progress, which means stability and leadership committed to development; cultural and social development, reflected by increased social welfare, such as the availability of food, housing, medical, sanitation and education facilities; and, spiritual or moral progress, evidenced by people's belief in God and regard for their fellow human beings.

These characteristics must visibly exist in an economy before a country can claim to have a high level of development. Defined in this way, development implies that a country has reached a point of optimum utilisation of its factors of production, natural resources and technology. In reality, no country has reached optimum utilisation of the agents of production for the simple reason that new technological advances continually result in better use of natural resources. Therefore, as new technological breakthroughs occur, development continues pushing a country to higher levels of economic well-being, even though it continues using the same amount of resources. In other words development is a continuous process.

COLLECTIVISM

As demonstrated above, a common denominator in egalitarianism has been the desire to break away from capitalist-style development where prosperity is for only the few and continues to be identified with colonialism and neo-colonialism. To understand this issue better, let us examine another aspect of socialism, called collectivism. An interesting variant of collectivism was adopted in Libya under Muammar al-Qadafi. According to *Qadafi's Third Universal Theory* (The Green Book, 1975), in a truly socialist state there are no 'workers' or 'wage earners', but rather partners in production. He argued that anyone who produces must also be the one who consumes. In other words, wage workers are a type of slave, no matter how good their wages or conditions of service might be. Qadafi therefore advocated equal sharing among all factors of production, including labour. He stated:

> "Man's freedom is lacking if somebody else controls what he needs. Need causes exploitation. Need is an intrinsic problem and conflict grows out of the domination of man's needs. The house is a basic need of both an individual and his family. Therefore, it should not be owned by others. There is no freedom for a man who lives in another man's house, whether he pays rent or not."
>
> **(Qadafi, 1975)**

Qadafi also believes that income is an imperative need for man and, as such, should not be a wage from any source or a charity from anyone. In other words, income is a form of private ownership and must be managed as such in order to meet an individual's share in a production process where he or she is a main element. He concludes that land belongs to no one, and everyone has the right to use it or benefit from it, by working or farming it. This should be guaranteed throughout a person's lifetime and through the lifetimes of his or her heirs.

The premise of Qadafi's theory is that a person in a socialist society should work for himself to provide for or meet his needs and those of his family. He may also work as a partner with

others, a socialist corporation or public service in which he is an equal partner. If an individual is allowed to accumulate wealth or property beyond his needs, he can only do so at the expense of others. Thus, an African socialist system under this doctrine would allow private ownership solely for the purpose of satisfying an individual's needs and without the exploitation of others. The conclusion drawn from this is that it is important to ensure that egalitarianism, as the central factor of good governance, must be compatible with collectivism. In turn, collectivism as an economic ideology implies equal ownership, control and distribution of a nation's wealth among the people in that society. It is important to remember here that collectivism evolved because the capitalist system of development adopted under globalisation offered no benefits for the impoverished African rural communities exploited by ‘imperialists’. It can be argued that capitalism encourages the accumulation of wealth by a few, under the guise of privatisation and the creation, or stratification, of classes within a society. Some analysts have fervently argued that in a country that has rigorously pursued privatisation, there are no visible benefits for the poor who, in fact, become poorer because they lose their jobs and other means of generating income. Furthermore, they claim that capitalism produces a society of ‘haves’ and ‘have-nots’ living side by side. In fact, as economic governance improves, this system gives way to new structures whereby the control of the means of production is transferred into the hands of a few at the expense of the masses.

At the global level, the argument for collectivism as a political and economic governance tool is to mitigate the failure or refusal by industrialised countries to respond to African countries’ efforts to find equitable management and distribution of world trade. For instance, Africa once believed that poor countries would gain fair access to world markets for their products under the WTO so it might realise its development objectives and priorities. However, the WTO failed to guarantee Africa's full participation in global trade. Moreover, some believe that the international monetary and financial systems have caused untold hardships in developing

African countries by robbing them of the little foreign exchange they have acquired following the devaluation of the world's major currencies. Globalisation has also resulted in new forms of bondage, trapping African countries through such vehicles as external indebtedness, structural adjustment programmes and extroverted policy reforms.

Experience has shown that the economic survival and emancipation of the majority of the poor in Africa does not lie in the globalisation process. It rather lies in the determination of its leadership to painstakingly harness known and potential resources in order to improve living standards for the majority of its people. This would in no way diminish the importance of international relations; however, it would underscore the fact that negotiations for equity in global trade as well as monetary and financial systems have not resulted in prosperity for the African people. Moreover, economic development history shows that no African nation, socialist or otherwise, can develop quickly when its major means of production lie concentrated in the hands of a few foreign individuals or companies operating under the G8 or OECD governments' umbrella.

To lessen these problems some economists firmly believe that the African states should devise a means whereby they can collectively own, control and determine how Africa's resources are exploited and marketed. One such way would be to create African multinational corporations through which small nations can pool their collective strength and take appropriate steps to deal with threats from foreign-owned transnational corporations. Such government-owned African multinational corporations would have to be granted preferential treatment, and ownership of mineral rights and concessions would have to be transferred to them, so that they could compete against foreign corporations. The most serious handicaps to African development are the monetary and trading policies affecting primary commodities being elaborated by organisations and institutions outside the continent.

The dream now emerging is that the development of Africa cannot and should not be left to foreign intervention through the activities of transnational corporations. It is however recognised that the economic mismanagement, corruption in the public and private sectors, theft of public funds and incompetence present in some African countries is not caused by external factors. For nearly five decades, ever since attaining independence, African countries have had political power and the ability to change economic philosophies and introduce new disciplines to meet development challenges. However, fear of disturbing the status quo, which would mean prosecuting corrupt officials and throwing out a lot of 'dead wood', has often stood in the way. In fact, the main problems in African governance are due as much to external intervention as they are to a pathological tendency toward greed and self-preservation by those in power and control. We've seen this in many past leaders who have insulated themselves against new ideas by eliminating all possible threats to their power base, dubbing any opposing views as being those of 'imperialist agents', 'counter-revolutionaries', 'communists' or simply power-hungry individuals.

It also must be underscored that the African people have anxiously watched class distinctions become more and more marked instead of reduced. Disparities in income and wealth distribution are more glaring now, several decades after independence, than on the eve of independence. As a result, attitudes and responses to a national call for development are at best indifferent or marginal. In other words, African leaders have not yet realised that people's response to national commitment and goals is measurable in direct proportion to what they see as their stake, or share, in development's benefits. One cannot therefore be apologetic in saying that the new political leadership and 'petit bourgeois', created at the end of colonial rule and now enjoying the benefits of independence, are to a large degree answerable for the economic mismanagement and persistent abject poverty in Africa.

We conclude this section by stating that collectivism attempts to question the validity of the present African economic management systems, where global wealth lies in the hands of a few individuals who have shown an unwillingness to rescue the majority of Africans from abject poverty. For this reason, African countries have increasingly voiced their dissatisfaction regarding the lack of progress in the Doha Round of Multilateral Trade Negotiations. There is growing sentiment among progressive economists, sociologists and political leadership, both in developing and developed countries, that the economic prosperity of the G8 countries does not lead to global material satisfaction if the rest of the developing world is languishing in abject poverty and deprivation. To redress this situation many African political leaders and their planners are now seriously considering redefining the direction of the economy so that the majority of the people might share in the prosperity.

A CRITIQUE OF EGALITARIANISM

The burning question then becomes: Has egalitarianism or collectivism made an impact on African political and economic development? This question clearly invokes a variety of responses. First, collectivism and communalism have always been a part of African socialism. In some cases, these ideas were introduced rather hurriedly, especially after the military interventions and take-overs that ensued in some parts of Africa following political independence. Even in countries fervently professing capitalism, the principles of private-sector participation have not yet been integrated in the socio-economic fabric of those societies. Therefore, the impact of collectivism on modern development has yet to be felt.

Critics of African socialism often argue that one of its shortcomings has been a lack of incentive and motivation in indigenous private enterprises. This, it is argued, was a phenomenon

evident in colonial economic history throughout the world. During the colonial period, indigenous entrepreneurs were discouraged, either through legislation or other measures, from entering into businesses that might compete with those of the white settler community. This gave the latter unfair monopolies in agriculture, industry, trade and finance. Hence, when independence came, African nations found themselves in an economic quagmire with highly profitable business ventures owned by expatriates, a non-existent middle class and a non-monetary peasant economy with no capital, no technology and no markets. For a long time, African governments had to rely on the very settlers who exploited them to keep the economic system running. Socialism did nothing to improve this situation, because it did little to motivate the very people for whom the system was intended to benefit in the first place. It is interesting to note, however, that in some of the former socialist countries of Eastern Europe, individual initiative, far from being killed, was very much encouraged by higher salaries or bonuses and loans to build summer or holiday houses in the countryside and around lakes or to purchase houses for individual or family use. African socialists failed to follow this example.

In adopting socialism as a development philosophy, African countries did not necessarily move towards egalitarianism, because this was not accompanied by adequate domestic resource mobilisation. Nor did they move toward equity in income distribution. What actually happened was that socialism replaced western capitalism with a new branch of ownership called ‘totopoly’ whereby the state controlled the entire economy. This led to loyalties being switched from a Western capitalist system to a socialist framework borrowed from Eastern Europe or Communist China. Countries, in fact, remained chained to one form of ideology or another.

It is also interesting to note that dictatorships, whether under socialism or capitalism, cannot be reconciled with egalitarianism. Dictators and autocratic rulers adopted what one might call a ‘hedge’ philosophy, according to which no one was allowed to

grow more than the rest. In some socialist African countries, no individual was allowed to invest in income-generating activities, own a house to rent out, buy a big car or import decent goods for him or herself or his or her family. People were afraid to save money because this could be 'frozen' any time or even expropriated by the State. Some socialist-oriented patriots, with an inclination towards economy, even advocated a system of compulsory savings, but this didn't motivate people to produce more goods, but rather further diminished any enthusiasm to outpace others. People lost confidence in their economic and financial institutions. Whatever extra an individual made was spent in wasteful consumption, such as drinking alcohol. This accounted for the low inclinations to save and the high levels of consumption, often leading to increased levels of alcoholism in some countries.

The critics further argue that a definite correlation exists between persistent mass poverty and the inability of some leaders and economic planners to accept mass emancipation as the central focus of managing development. This conceptual inflexibility resulted in an almost self-locking and impregnable economic 'force field' behind which such economies rotated year in and year out. Breaking this 'force field' required not only unequivocal commitment to develop a country's resources for its own people, but also resolute action to halt misuse of resources by those in power and by foreign powers.

Opponents of socialism also argue that, because of the ensuing distortions in economic policy, policymakers generally overlooked the real issues in economic development by allowing distortions. The challenge to socialism was to institute radical changes in economic doctrines and find effective solutions to development problems. This implied that the era of 'much ado about nothing' needed to come to an end, and that people needed to realise economic development does not occur by accident but through policies made with absolute commitment, foresight and determination. A heated debate among African scholars relating to

the choice of socialism as an approach to development revolved around the mechanisms for equitable distribution of a nation's wealth.

A new consensus has emerged in the former socialist African countries that growth and development is not sustainable without the full participation of the business community. This has been evident in Guinea, Mali, Ethiopia, Tanzania, Zambia, Malawi, Ethiopia and Mozambique, where an economic revolution has been taking place, moving away from state monopolies of business to private sector participation in development. The case for private-sector participation revolves around three main principles: planned liberalism involving the transformation of economies from dependency to self-reliance by using domestic resources and capacities; self-reliant development which involves transferring the ownership and control of the major means of production to private entrepreneurs; and, social justice and balance development which centres around the development of rural areas through new policy in agricultural production and land tenure systems in order to economically empower the masses.

These views bring home the point that egalitarianism and collectivism embraced economic planning as a means for the State to ensure it had a sense of direction along its economic path. This would in turn influence the development of the major economic sectors, or factors of production, for the common good of the country. On the other hand, planned liberalism ensured a balance between private and national interests and self-reliant development was viewed as the way towards maximum utilisation of national resources, including minerals, for promoting self-sufficiency in food production and financial independence. Social justice was intended to ensure welfare maximisation, each social group having the opportunity to contribute its best to the development process. This would ensure balanced development that took into consideration social justice within the framework of each country's diversity in cultural, linguistic and natural resource endowments.

THE BALANCING FACTORS

The analysis on egalitarianism, collectivism and socialism leads us to another dimension of balancing these principles against the realities of the African social framework. This essentially involves a trade-off between the present and the future, based on lessons learned from the past. In plain language, the new systems of governance in Africa should be based on existing structures deliberately modified to suit each country's overall development objectives and priorities. Therefore, building national consensus in all aspects of governance should be by the people themselves and given new values. The role of government should include providing economic direction, while the private sector conducts research in the use of science and technology, marketing techniques, information on new seeds, brands and fertilisers, the acquisition of agricultural and industrial machinery to be sold or loaned to small entrepreneurs on favourable conditions, and the creation of technical and managerial capacities and competence. The government should also work to create an environment conducive to domestic, regional and international investment.

In the agricultural or rural sector, governments might opt to establish pilot farms or state ranches where experimentation would be carried out on how to achieve agricultural development as determined by soil type, climatic conditions, the availability of irrigation facilities and local skills. Based on experience gained on these state farms, people would be educated to use new techniques to increase agricultural productivity in their co-operatives. The State would also be responsible for quality control and standardisation using institutions for national, regional and international standards. Moreover, government would guarantee the storage, transportation and marketing of products from poor peasant farmers in rural areas as well as from selected industrial estates throughout the country. This would require understanding, patience, calculation, civic education and planning at all levels to relate the development policy to people's expectations.

The balancing of ideologies and policies should also include civic education, improving people's knowledge of all aspects of economic and social development. Planners should have effective policies to combat illiteracy, and where such measures exist they should be linked with manpower needs in industry and agriculture. Therefore, the educational curricula should not continue to be modelled on those of the former colonial administrations. In many African countries, law, literature and general art subjects continue to attract the overwhelming number of students, while very little attention is given to learning what would encourage the development and application of science and technology to solve specific economic crises. In fact, only in a handful of African countries does one find active science and technology development strategies that create modern expertise effectively linking all economic sectors with the development of human capital.

This summarises the trade-off between political expediency and the need to develop a strategy for resolving the development crisis. In the next chapter, we argue for a new approach to political reforms, fundamental changes in policy and attitude which must involve transformation in the patterns of production, the identification of products for intra-regional trade among African countries, market research, analysis and facilitation. Any of these measures adopted within a strictly national perspective may become self-defeating or even counter-productive. Such measures must be conceived within the framework of intra-regional co-operation and should seek to redefine the concept of self-reliance as a new form of division of labour within a regional framework. We also stress that recognition and support should be given to joint programmes for restructuring domestic production through effective control of production factors, and where appropriate jointly between governments and indigenous investors. The transformation of traditional agriculture should constitute the backbone of the new economic philosophy. The new development policy should also be oriented towards creating equitable industrial opportunities in all African countries.

Another equally important trade-off is the management of African economies through the implementation of an effective policy that strengthens self-reliance and sovereignty while accepting foreign aid and technical assistance. This is called the 'home grown' policy option. This would call for research in science and technology to meet real national needs coupled with increased investments in more selective areas in order to progressively reduce dependence on foreign resources for development. Unfortunately, evidence suggests that, under existing regional institutions, African countries have only grouped themselves as aid seekers in the capitalist camp or aid seekers in the communist camp. Some regional institutions have developed state-of-the-art techniques in collective begging, gloriously called aid co-ordination. This situation has arisen because development resources were not conceived within local frameworks, but to conform to game rules established by the industrialised countries of the West.

A convincing case can be made that egalitarianism and social justice be supported by changes in patterns of production and distribution. Some Euro-American writers claim that the main reason for not establishing industries in Africa is that this would involve high production costs and local products wouldn't be able to compete with imported goods. However, research now shows the main reasons for high factor costs in production in African countries are: raw material inputs deliberately imported at high costs from holding companies abroad when these could have been developed locally; local suppliers not contracted to meet local demands, especially in the building and construction industry; high remuneration of expatriates in senior-level management positions who must be paid in foreign currencies in order to 'entice' them to stay; manipulation by expatriate ownership of the production processes, protecting industries in their home countries by inflating the cost of production in Africa to deter the establishment of import-substituting industries; high investment requirements for inappropriate technology and factor-mix often resulting in the installation of capital-intensive

technology where labour is abundant and could have been utilised with equal effectiveness; and, deliberate orchestration of consumer habits and requirements by creating multiple competing brands of a product, effectively wiping out products from indigenous enterprises.

Proponents of the new global order claim that limitations to industrial development can easily be overcome in African countries through appropriate adjustments to the inter-linkages among production, marketing and transport. But without adequate market research and analysis to determine the real costs of production and distribution, it is unrealistic for a country to abandon opportunities for industrialisation on the basis of the international division of labour. Market research not only assists in product identification, it also reveals market strengths and potentials in terms of new demand as well as new investment opportunities. In general, Western economists have failed to recognise that industrial policy in Africa should be followed by measures enabling countries to move from the first stage in production – producing primary commodities – to the processing stage, value addition and manufacturing, which include food processing. The new framework should help transform the patterns of production, moving especially from peasant agriculture to manufacturing. This represents the most important phase in a country's development process. In fact, attaining this stage in production can propel a country towards sustainable growth and development.

INVESTING IN HUMAN CAPITAL

We have learned so far that social justice and equity policy objectives in all new African democracies aim to adopt adequate measures to provide opportunities for the common person to become specialised as well as increase the production of consumer goods in both industry and agriculture. Trade expansion, based on the structural transformation of African economies

through agricultural and industrial development, would contribute significantly to the economic welfare of a broad spectrum of people. However, industrial and agricultural production has not yet been geared towards improving the welfare of the masses. Most African countries face problems in introducing the necessary changes to production patterns because of the inflexibility of the policies in these countries. There is therefore a need to improve the correlation of skills between the industrial and foreign trade sectors while giving the rural sector high priority to support industry and trade.

Another factor that could reduce social injustice is to make changes in the education sector. In most African countries, lack of know-how results in the production of a narrow range of commercial and industrial activities, operated by a few people, located in urban centres, and mainly geared towards overseas markets. It is true that a few processing industries have sprung up in some countries for commodities whose weight or volume has to be reduced for export in order to increase their value, but the participation of local entrepreneurs is limited. Whatever processing does take place occurs not because of national policy, but according to the whims of foreign investors who determine where to invest, what to produce, and where to market their products. Although production forecasting and planning continue to be governed by the demand for primary commodities in the markets of developed countries, the pace of economic activity within African countries is still controlled by external market forces Consequently, it is increasingly difficult to adopt effective policies regulating the transformation of primary commodities so as to benefit through value addition to manufacture products for the masses. To change this pattern, the industrial and agricultural production programmes should be geared towards increased output of consumer goods by indigenous entrepreneurs using local raw materials at prices which the majority of people can afford.

We also have learned that egalitarianism and collectivism can inhibit investment in productive enterprises. This is further

complicated by the problem of domestic resources mobilisation and the regulation of investments towards meeting the interests of the areas where such investments are made. For instance, investments by multinational corporations have left a nasty legacy for Africa's development efforts. Foreign investors continue to dictate where they want to put their money and this is often not in line with the country's development policy. One aspect of the new investment policy would be for African countries to review the incentives and privileges granted to foreign investors in order to curtail resource drainage and ensure that more resources are invested in the countries. This would require an inventory of all the advantages now enjoyed by foreign investors and a list of all the new regulations to be devised so that they reflect a spirit of mutual interest between investors and the countries concerned.

We need to recognise that if the new democracies are to flourish, the investment policy should also include a new element in investment law and regulations, requiring that a certain percentage of the net profit after taxation of the foreign companies be 'ploughed back' into the business for expansion of capacity in research into new technology for the renovation and improvement of social services, such as schools, hospitals, libraries, and recreation facilities. It should be emphasised that money so spent would not represent a loss, but would generate better opportunities for investors to expand their activities. A healthy labour force is more productive than a sickly one. Some feel that any investor not willing to re-invest part of his profits in developing a nation is not committed to that nation. As such, he should not expect special privileges from the government.

The reasoning behind this approach is that until now governments have provided the education component to most industries, even when such activities only resulted in private investors reaping unduly high profits. If the end result of development is to improve quality of life and distribute wealth with equity and justice, objections raised against a provision that investments should reflect this egalitarian concept may not hold water.

In the interest of ensuring cooperation between governments and the private sector, some factors need special mention. Evidence suggests that investment in human capital is essential, not only for business but also to ensure fair distribution of the nation's wealth. The first step is to significantly upgrade education facilities for workers' children and adult education or literacy programmes for the labour force. Evening classes should be made available for workers and, for a given period, be made compulsory in order to eliminate illiteracy in the working classes. Collaboration with the Ministry of Education is essential so that these facilities can be expanded to include children and adults from the areas immediately surrounding investment projects. When education is considered as supporting large schemes, such as hydro-electric, mining or farming projects, its importance cannot be overemphasised. Equally important is the need for improved social welfare for all people living near mega projects in the form of medical, health and sanitation facilities, including good hospitals, clinics and health centres. These are an integral part of the investment package and should be provided by investors free of charge for the working classes and their families. Special attention should be given to prenatal and postnatal care as well as to paediatric clinics and other forms of childcare.

In another sense, time and motion studies show that investment in human capital should include providing recreational facilities – such as cinemas, parks, playgrounds for children and adults, sports centres, shopping centres and banks – to improve workers' quality of life. These should also be provided by investors in collaboration with government where appropriate. Upgraded physical and social infrastructure facilities should also be provided. These would include good transport, communication, postal services, electricity and potable water supplies. Infrastructure should also include the apportionment of land for workers to cultivate a few staple crops for their immediate needs. Private companies would contribute to this as an investment rather than an outlay.

Since these social facilities also form part of private responsibility, it therefore follows that a greater degree of dialogue and co-ordination between government and private investors should exist. To begin, private investors should find out what government policy is before embarking on any investment decisions. Collaboration between governments and investors is not in itself new. In fact, in some parts of Africa, mining companies have been providing similar social services, although not usually on a comprehensive scale. The advantages of this programme are numerous, but we shall examine only a few.

First, under new education programmes, foreign investors would be assured of a permanent and more enlightened labour force. This is particularly important when new technologies, including computerisation, are introduced. This would also be relevant in agriculture, where a large portion of the labour force on cotton, fruit, coffee, tea and tobacco plantations is temporary due to the nature of their operations. In countries where seasonal labour shortages occur, such a programme would provide a permanent solution to the labour problem. Moreover, each investment would contribute to the development of human capital, a major goal in African development and apparently fully supported by the donor communities. An educated labour force, as noted earlier, is decidedly more productive than an illiterate one.

Second, this new approach would provide the opportunity for investors to identify themselves with national objectives, thereby earning greater confidence from government and the masses. In fact, if such a situation were achieved, investors would operate in a more secure and amicable atmosphere than the rather insecure situations in which they sometimes currently find themselves.

Third, the provision of social facilities, of the same quality as found in the OECD countries, is a major aspect of development and would attract job seekers who had migrated to urban areas in search of work to return to rural areas where these projects are located. The scant labour force now found around these projects

would at the same time be persuaded to remain, knowing they enjoyed the same facilities as urban dwellers. If this were achieved, not only would the influx of people into cities and urban centres be halted or reduced, but development would also have been spread over a larger section of the community.

HUMAN RIGHTS

From the preceding sections, we have learned that egalitarianism and good governance at all levels of human interaction – national, regional or continental – involves the guarantee of human rights, the rule of law and fundamental freedoms. We have also learned that human rights are defined differently, according to different nations' perspectives. In addressing the issue of human rights, His Holiness, Pope John Paul II said:

> "Respect for human rights not only involves their protection in law. It must include all the other aspects, which stem from the notion of human dignity, the very basis of rights. In this regard attention to education assumes great relevance. It is likewise important to attend to the promotion of human rights: a task which follows from love of the human person as such, since love goes beyond what justice can provide. In the context of promoting human rights, further efforts must be made to protect the rights of the family, which is the natural and basic unit of society."
> **(From the Justice of Each Comes Peace for All, January 1998)**

The Pontiff's wisdom has also taught us that for democracy to be sustainable, a *Bill of Rights* is required so that the political power game is played to benefit all people, especially the poor and vulnerable. In the previous chapter, it was shown that in a multi-party democracy a good leader must always ensure that the rights of all individuals are respected, because he can only lead if the people are willing to follow him. That willingness is governed, to a large degree, by the people's expectations regarding economic prosperity and the protection of fundamental freedoms and civil

liberties. We have also learned that a leader can best influence political and development choices in a situation where democracy is fully established. In this chapter, the question of human rights and civil liberties is considered to be the pre-requisite for a successful democracy.

Discussions about human rights have preoccupied humankind since time immemorial, because people have always felt that government has infringed upon their rights. But the first global recognition of the need to protect human dignity was the adoption of the *Universal Declaration of Human Right*s by the United Nations in 1948. In that declaration, the United Nations was concerned about the abuse of human rights and thus agreed that:

> "Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status." (Article 2).
>
> "No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, or to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks." (Article 12).
>
> "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers." (Article 19).
>
> "Everyone has the right to take part in the government of the country, directly or through freely chosen representatives." (Article 21)
>
> "Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." (Article 25).

From these provisions, there is therefore the expectation that all people receive equal treatment and have equal opportunities

in life. Human rights include all fundamental freedoms that a country's citizens enjoy in the day-to-day conduct of their lives, including the freedom of association, worship, speech, choice and economic pursuit. 'Civil liberties' on the other hand refer to immunities enjoyed by individuals from illegal interference or restrictions imposed upon them by the government, including the abuse of power and authority. The sanctity of human rights entails that every person be protected under the law, regardless of political belief or religious persuasion. But these may be violated if the government fails to improve the welfare of the people or if it cannot ensure that the civil society, especially the rural and urban poor, have access to facilities that make life worth living. Human rights violations occur under the following conditions:

Firstly, people's rights are violated where there are serious food shortages, accompanied by widespread hunger and malnutrition affecting a large proportion of the population, and where the government cannot ensure an adequate supply of food to the poor, the sick, the disabled and the elderly. Similarly, such violations can also occur where prices of food and essential commodities are allowed, through deliberate government policy, such as devaluation of the national currency, to escalate beyond the reach of ordinary citizens.

Secondly, violation of human rights occurs where the government pursues policies that prevent the poor from participating in the political, economic, social and cultural advancement of their nation. In another sense, violation of human rights exists where opposition leaders are harassed, beaten up and prevented from addressing the people; where they are denied access to the media, and where the ruling party prevents the civil society from exercising the freedom of 'informed' choice by denying them the chance to listen to different political points of view before they vote. Human rights are also violated where the government arbitrarily closes newspapers that criticise it and where editors of newspapers are arrested for telling the story like it is.

Thirdly, human rights are violated where adequate measures are not put in place preventing the discrimination against women in political and professional appointments and in granting loans and credit for business. The rights of women are also violated where there are no strong laws against sexual abuse and battering or where a woman is left destitute when her husband dies because relatives rob her of her rightful home and property.

Fourthly, children's rights are violated where there are no adequate provisions to protect them, they do not have adequate food, shelter and clothing, or they have no rights to a home and education. Children's rights are also violated where child labour is prevalent without strong laws to protect them.

Fifthly, the rights of all citizens are violated where the health and medical facilities in a country have deteriorated to such an extent that hospitals and clinics have no essential drugs or equipment, even to provide adequate primary health care. This robs citizens of their right to good health, and thus constitutes a violation of their basic rights.

Sixthly, human rights are violated where no provision is made to provide, guarantee or safeguard the internal security of a country's citizens, foreign dignitaries, business community, foreign investors, tourists, and all people within the territorial boundaries of a state.

This discussion of human rights leads to an equally important subject: power-sharing. In a genuine multi-party democracy, power-sharing takes place within the context of human rights. So fundamental is this issue that it is virtually inconceivable to plan economic growth and development without guaranteeing the rights of all citizens in a country to unimpeded access to prosperity. This will be discussed later in this chapter. For now let it be said that a global consensus has emerged that the international community has a collective responsibility to safeguard human rights in all parts of the

world, especially for the weak, underprivileged and minorities in society. To that end, human rights activists all over the world believe that democracy cannot flourish in a society where human rights are violated. At the global community level, it has been agreed that the promotion and protection of human rights is a matter of priority for advancing he interests of the civil society. Therefore, the guarantee of human rights is the *sine qua non* for democracy, good governance and indeed social justice.

All member states of the United Nations, and other international and regional organisations, have accepted the *Universal Declaration of Human Rights*. African governments, like those of all other counties in the world, have signed and ratified the declaration with an undertaking to uphold its provisions. In order to relate this to their region, three fundamental principles are essential. First, people must become the focal point for all economic and social activity. Second, there must be an effective system of ensuring social justice and equity among different classes in a society. Third, there should be no discrimination of any kind when it comes to access to development gains and social benefits.

In the economic field, human rights can be guaranteed only if a country attains rapid and sustainable economic growth along with an equitable distribution of wealth. Similarly, in a system characterised by great disparities in income distribution and social welfare among different classes within society – some rich and some poor – human rights are violated if serious attempts are not made to share the wealth equitably. The logical conclusion is that if any of these ingredients is missing, the system is far from being democratic, and certainly cannot sustain human rights.

In most African constitutions, provisions on human rights are provided with a wide range of guarantees, including the right to personal safety and personal liberty. These provisions, some of which were directly lifted from the *Universal Declaration of*

Human Rights, cover among other things the protection of human rights and freedoms, the right to life, personal liberties, human dignity as well as the rights of children and women. However, experience shows that just because governments have ratified the above- named Declaration, it does not mean that rights are always guaranteed or respected.

THE RULE OF LAW

Based on the previous analysis, it is clear a correlation exists among egalitarianism, social justice and democracy, and that a multi-party system without a human focus falls short of the provisions of the Declaration. That said, the underlying elements of the rule of law are justice, fairness, equity and the application of the law to all. The concept of humanism as an aspect of the rule of law was publicised by Kenneth Kaunda of Zambia. He championed several elements of social justice, stating that government should promote welfare, a code of ethics and social behaviour that lead to harmonious human interactions in civil society. To the extent that the end-result of economic activity is the satisfaction of human wants, then advancing multi-party democracy requires that an agreement be reached regarding how human rights abuses by those in power can be curbed.

The general public must also know what constitutional guarantees they have, so they can protect themselves if elements of tyranny and betrayal emerge in the political system. This can be achieved through extensive civic education, especially of the poor in rural areas and in the slums surrounding cities. Mechanisms should also exist for ensuring that government actions do not impinge on people's rights, are legal and fall within the parameters of the constitution. In this regard, all people hope that democracy will lessen glaring income disparities and prevent any one group of individuals from having unfair economic and social advantages over the rest in accessing to nation's wealth.

The ecumenical world has also long been concerned with the issue of human rights. Many religious presentations have called political leaders' attention to the trampling of human rights and negating of people's expectations of equal protection under the law.

For instance, religious leaders, such as His Holiness the Pope, have also emphasised the importance of attaining social justice through the equitable distribution of income and growth. Their message is that human rights lie at the heart of policies with a human focus. Namely, civil society cannot sustain itself where two groups – one very rich, powerful and over-privileged, the other very poor, underprivileged and marginalised – coexist within the same boundaries. Therefore, the main objective of democracy should be to evolve a new society in which all individuals enjoy full and equal access to financial security, education, loan financing and income earning activities. The democratisation process must be adjusted and adapted constantly to attain this. It is the only way to ensure that selfish motives and increases in wealth, land and other real estate by a few individuals are curtailed and that the underprivileged are not short-changed by the political system. Social justice demands fair distribution of employment and the award of contracts and other business opportunities to all citizens in a country, regardless of tribe, religion, race or political affiliation.

An equally critical element of humanism in governance is the idea that democracy should be designed to enable full utilisation of national capacity, people's skills and knowledge. In that regard, a government that deliberately frustrates its intellectuals and national experts and discourages civil servants from providing their best service to the nation loses the contribution of those individuals in the development process. Furthermore, the growth process demands full use of a country's natural resources and human capacities through self-reliant schemes designed to bring out the best in everybody. This presupposes that people are fully informed, understand the decision-making process and are allowed to contribute to development through broad-based consultative mechanisms. At the top of a democracy's

agenda should be a system for power sharing. Leadership should be able to mobilise support at all levels and get feedback from the people, especially those living in rural areas. This is vital to strengthen democracy.

THE RIGHTS OF CHILDREN

In developing a framework for Africa's prosperity, the issue of children occupies a central theme. We shall start this section by stressing that all children, regardless of gender, tribe or religion, have rights guaranteed under national constitutions. In this section, we shall look at those rights. A child denotes a human being under the age of sixteen years. Children in any society, whether developed or underdeveloped, rich or poor, white or black, represent future human capital. However, they are the most vulnerable to poverty, deprivation, natural disasters, war, disease, epidemics and abuse. For instance, reports from natural disasters all over the world often indicate that children were the worst affected and that the impact on a child's mind is often irreversible.

In order to safeguard the fundamental rights and freedoms of children, it is imperative to advance democratisation in all countries while bearing in mind the United Nations Declaration on *the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief* (1981) which provides that:

> "Every child shall enjoy the right to have access to education in the matter of religion or belief in accordance with the wishes of his parents or, as the case may be, legal guardians, and shall not be compelled to receive teaching on religion or belief against the wishes of his parents or legal guardians, the best interest of the child being the guiding principle."

For similar reasons, the *Universal Declaration of Human Rights* provides that no child shall be discriminated against on the grounds of religion or belief. Therefore, any attempt by

religious faiths in some countries to indoctrinate children into a religion foreign to them constitutes a violation of human and children's rights.

It follows that, in designing any democratic system of governance, there must be specific policies and programmes guaranteeing that children's rights are fully recognised and protected at all times. In recognition of this several constitutions in Southern Africa provide that children will be protected from any kind of economic exploitation or treatment that may be hazardous or harmful to their health. In that regard, for any democracy to be considered valid, the elimination of hunger and malnutrition, which especially affect children, must be an integral part of policy and fall within the framework of the *Universal Declaration of Human Rights.* The global community feels that the lack of food in Southern African countries robs children of human dignity and is, therefore, a violation of human rights.

The prevalence of child abuse in many countries is of grave concern. Evidence shows that children are abused in various ways, which include physical and sexual abuse, and the denial of food, clothing, shelter, security and education. Child labour also constitutes a violation of a child's rights. In order to improve their human rights record, many countries have enacted strong legislation to severely punish those involved in child abuse and to protect children, especially female children, from any form of abuse. Such laws should, however, also state unequivocally that every child shall have access to protection under the law and shall not be discriminated against on grounds of social status or because of parents' political affiliation. There is also a need to guarantee that every child has the right to report any case of injustice done to him. Furthermore, government policy must recognise that investments in human capital, especially in children's sound education, as well as in the social and physical infrastructures that improve the welfare of children, is an important element of the development process.

THE LESSONS

An important lesson learned from egalitarianism is that higher rates of economic growth are more conducive to poverty reduction than where growth has failed. This is an important element of social justice and equity. Poverty reduction requires removing inequities in education and employment opportunities as well as popular participation in development. In some countries, the authorities have successfully mobilised resources for the development of economically poor areas using clearly defined objectives. The main concern is to make sure that development plans fully address the issue of poverty alleviation. Even Western economists acknowledge the fact that a 'plan' without targets for reducing poverty, unemployment and inequality can hardly be considered a 'development plan' (*The Meaning of Development,* 1972). Governments now need to build an effective labour policy into national development management as part of a sustained action towards poverty alleviation. One might go even further and assert that not only must intentions be expressed in management strategies, but they must also be backed by actual efforts to involve the people.

There is general agreement in Africa that mass participation in development is critical in combating abject poverty. It would empower the people as well as private sector initiatives, including those of NGOs. African countries and the donor communities should urgently examine together the transformation of production structures through the use of labour-intensive techniques. There is a moral obligation to urge governments to stop considering the use of sophisticated machinery and equipment as a sign of advancement when simple hand tools involving more people could do the job. For instance, experiences in constructing the Bhakra Dam in India and roads, irrigation, and farm terracing in China, have disproved the notion that development can only be attained through the 'transfer of technology' from industrialised countries. Africans can eliminate poverty if their will, determination and commitment can be re-asserted.

In the matter of people's empowerment, the world witnessed with admiration that the intensive use of labour in development projects not only allowed the Chinese and Indian populations to fully identify themselves with the progress of their country, but also empowered them financially and socially. This experience could be extended to 'poor' African nations where people could be employed to carry sand, mortar, stones, cement and dirt on their heads in construction projects. In other words, development should be done by people using their hands, as well as more advanced science and technology. The construction of roads, railways and bridges could likewise be done by the masses with the assistance, where necessary, of modern mechanisation. Using a mixture of local labour and technology would have other advantages as well. Apart from increasing employment, there would be increased purchasing power in rural areas where the roads or railways pass or where the projects are developed. Within a period of ten to twenty years, countries could really 'take off' towards self-sustaining development. Furthermore, according to Arthur Lewis in *Economic Development with Unlimited Supplies of Labour* (1954), the use of idle resources enables a country to create new human capital by diverting some resources to finance the training of labour to increase efficiency in production.

The other lesson drawn from egalitarianism, as a development concept, is that a country committed to ensuring good governance, social justice and equity should also ensure the full participation of women, peasants, workers, small entrepreneurs and intellectuals in choosing economic development options. To that end, in order to spread development gains, each government should insist on using its own men and women, and its own technology, to construct roads, cut stones and use local cement for bridges, so as to save foreign exchange. Machinery and complicated road equipment should only be used where it is absolutely necessary to do so. If development is to have the desired impact, then Africa's view of high technology should be reoriented in order to reduce or eliminate mass poverty. Increases in employment through labour-intensive techniques are one of the most effective ways

to redistribute income. The real success of the new democracies would be measured by a real reduction in income disparities through the implementation of projects that can eliminate poverty.

This would be the new basis for reorienting existing development policies in African countries and designing new measures to inject energy into development to combat mass poverty. Consequently, a new system of governance must be adopted, one that would eliminate class distinctions, ensuring equity and fairness in the distribution of wealth. Policies that do not accentuate income disparities should also be implemented at the same time. If egalitarianism is to be accepted as the *modus operandi* for economic and social management, then African countries must adopt new doctrines for economic power-sharing that lead to the emancipation of the masses. It was for this reason that Uganda's Milton Obote said in *The Common Man's Charter* (1970) that 'we cannot afford to build two nations within the territorial boundaries of Uganda: one being, educated, African in appearance but mentally foreign, and the other which constitutes the majority of the population, poor and illiterate'. The challenge of the new democracies is to change the *status quo* for the good of all people in the civil society.

Furthermore, we can conclude that in decentralising the development process, people should not be regarded as economic commodities. People must fully participate in the economic and social decisions that affect them. Equally unrealistic is the contention that people are 'economic animals', because this gives the impression that they cannot control their own destiny. In the truly egalitarian society, the motivation for development is people, who are also the end result of development. The traditional values of people within a society should not be drowned under foreign systems of exploitation reinforced by capitalism. Even some of the countries professing socialism and posing as vanguards for the emancipation of the masses tend to behave like imperialists in disguise, insofar as they too thrive on the anguish and poverty of their fellow human beings. In much the same way, poverty cannot

be wiped out of Africa by depending on the North to provide all the development capital. Therefore, social-political systems in Africa must be redesigned. They must lead to democracy and egalitarianism and ensure that economic development is internally generated and shared equitably by all people.

Human rights provide the foundations for democracy while globalisation violates the rights of the poor people of Africa by denying them their right to development and prosperity. Many people hope that world leaders will guarantee that human rights and civil liberties are not violated in Africa by ensuring that their multinational companies operating in Africa wear a human face. However, one of the main causes of violations has been the absence of visible benefits from economic growth and development. This often happens when political leadership becomes so power-hungry that it does not honour pledges made during election campaigns to uphold human rights and guarantee civil liberties. Indeed, one of the problems arising from the absence of power-sharing arrangements has been that no policy exists to ensure that all segments of society are consulted in the decisions affecting their future.

Observers point out that policies adopted by ruling parties preventing opposition leaders from participating in the political, social, cultural and economic life of their countries is a violation of human rights and civil liberties. They also argue that it is inexcusable for governments to deliberately create conditions preventing civil servants, trade unions and teachers unions from exercising their right to stage peaceful demonstrations. Similarly, they argue that governments have no justification in denying people the right to work, freedom of association and assembly and the right to obtain loans and financing for business development. If democracy is to be sustained, those in authority must rectify their poor performance record on human rights and improve upon it.

Another lesson is: democracy cannot flourish where violations

of human rights occur. Hence, in order to strengthen institutions for human rights, political leaders should avoid the temptation to trample civil liberties simply to protect their own political party at the expense of all the rest. This is important due to the differences in perception and understanding of how power-sharing is managed. This also partly explains the differences in the conceptualisation of power and how to share it under the 'Government of National Unity'. Many observers, therefore, believe that good leadership should never feel threatened by a healthy debate to resolve issues regarding human rights.

10

THE COST OF LIBERALISM

"Experience has shown that in devising the new institutional framework for good governance, it is important to point out that liberalisation has not helped African countries to integrate their individual economies into the world economy so as to control (the) science and technology necessary to transform the huge resources into wealth. Similarly, liberalisation has also made it difficult for countries to attain regional economic co-operation and integration due to the operations of foreign companies that control the means of production and distribution. In recognition of this, the African Union has agreed that effective measures should be taken to ensure that the new African management machineries are interlinked to avoid unwanted exploitation by foreign entities through liberalism. The essence of this is that a new business culture needs to be created through the establishment of joint African transnational enterprises to ensure a successful transfer of financial and economic power from foreign multinationals to the indigenous entrepreneurs."

(African Economic Thought, Bingu Wa Mutharika, 1992)

THE ESSENCE OF LIBERALISM

In the preceding chapter, egalitarianism was discussed as a way of redressing social imbalances in the distribution of wealth at the national, African and international levels. In this chapter, we shall advance the argument further by linking this to liberalism and liberalisation as seen from an African perspective. One of the major tenets of the African dream is to consider economic growth and transformation within the framework of liberalisation, which has been imposed by countries of the North on Africa.

In moving towards a common African destiny, the issue of economic liberalism continues to come up in growth models.

We shall start by defining liberalism as a process of change or transformation from one system of political and economic dogmatism to a system in which people, the private sector and institutions are free to do or think whatever they like. The civil society and the population at large, especially the less-privileged vulnerable groups in the economy, acquire a new voice in politics and development. Liberalism can also embrace people's empowerment by freeing the economic forces of production of private entrepreneurship to enhance motivation, creativity and investment for the increased production of goods and services. In political terms, the liberated masses would have free and uninhibited access to investment, an independent judiciary, the rule of law, freedom of religion and freedom of association. The people would also have the freedom to form political parties or belong to the party of their choosing, be able to hold elections and choose the political leadership they desire without hindrance. In essence, the political or economic liberation would imply the institution of a system of government where no one is accountable to anyone or to the government of the day. This would be utopian par excellence.

To shed more light on this issue, as it relates to Africa, let us examine what happened in the former Soviet Union. Following political and economic liberalisation in the Soviet Union (glasnost and perestroika), the world took a hard look at its political and economic systems. A consensus emerged that military regimes had lost their charisma and appeal. Dictatorships and 'police states' were also subjected to vigorous cross-examination. One such examination involved the decentralisation and democratisation of the political, economic and social processes. Structural change could no longer be limited to economic institutions; it needed to also include political superstructures. The old order had to yield to the new. The verdict was that dictatorships could not stand the test of time. Therefore, the time had come for a change – liberalisation,

and for a new approach to governance and development. Those who were able to swim with the tide would survive, but those who couldn't would be swept away.

Economic liberalism, according to donor perceptions, implies the adoption of market-led policies and free enterprise, where monopolies have their hands tied at the expense of small indigenous enterprises. Although this involves the adoption of monetary and fiscal policies in matters of exchange and budgetary controls, the reduction of government and civil service, the liberalisation of imports and the opening of the economy to foreign direct investment, the deregulation of domestic price systems and the removal of all subsidies, the end result has been the suffocation and annihilation of African owned businesses. Liberalisation, according to the North, should guarantee many investment incentives and the dismantling of statutory corporations by selling them off to the generally foreign-dominated private sector. In short, according to the Bretton Woods Institutions, market forces would henceforth control the destinies of the new African democracies.

A look at Africa's political, social and economic institutions shows that good governance is a policy rather than the result of change. This can be achieved under democracy or autocracy. It is sometimes said that African autocracy originated from the geo-political systems practised by monarchs and the paramount chiefs of days gone by. However, in modern times, the concentration of economic, and hence political, power in the hands of one leader seems to have reinforced tyranny in political governance. The evolution of the African civil society from colonialism to nationhood depicts a symbiotic relationship between the collapse of traditionalism and the emergence of autocracy as an inevitable system of economic and social management. Evidence suggests that capitalism's influence on African political and economic structures, the welfare of the masses and the machinery involved in the exploitation of natural resources has led to the rise of personal greed and self-interest.

The pertinent question is: Has the socialist or capitalist system of governance really resulted in liberalised economies in developed countries? In principle, one can argue that capitalism, whether practised by the state or private enterprise, goes hand-in-hand with materialism in its interplay with the social framework. Even in the big democracies of the North, full liberalism does not exist. This becomes evident when one focuses on corporate capitalism, as epitomised by multinational corporations (MNC), through the ownership of the means of production by giant business conglomerates. MNCs control production functions by making centralised decisions, which are then transmitted to branches and affiliates all over the world through a clearly defined chain of command and responsibilities. Such control extends from ownership of capital and investment to production and distribution, then all the way down to the consumer. Socialism, on the other hand, can be seen as an important link in the evolution of African economic thought, supported by the introduction and application of communist and Marxist principles to the African socio-economic development process as defined in the preceding chapter. Experience has shown that neither capitalism nor socialism can, per se, guarantee liberalism or good governance.

Micro and macro-dynamic theories of African growth and development, resulting from choosing a particular development philosophy, lend themselves to a number of speculative modifications, one of which is undoubtedly the choice of a capitalist model for development. A debate rages in Africa regarding the merits and demerits of capitalism. However, in searching for a development strategy with an African perspective, it would be difficult to determine in a purely economic sense the dynamics of economic growth and stability of an immature or teething economy. It would also be difficult to determine how that economy might transform itself from a highly dependent import economy to a full-fledged export economy. Choosing an appropriate development paradigm is extremely confusing for politicians.

Contradictions arise because transforming and restructuring an economy also involves changing the composition of goods and services, consumption habits and consumer preferences, factor-mix, the allocation and utilisation of resources and the attainment of full employment. Within this spectrum of activities, some argue that without capital accumulation no economic growth is feasible. But is capital accumulation necessarily confined to capitalism? Can a socialist state not accumulate capital? Is it possible to have capitalism without capital?

Interesting as these questions may be, they are not the focus of the African dream. Here, we want to underscore the divergent views of social justice under a liberalised capitalist economy. A survey of African opinion invariably indicates differing views and definitions of capitalism. Perceptions and interpretations are often hazy and determined by the educational background or indoctrination of an individual. Although most African countries are far from being capitalist in the same sense as western economies, they view capitalism from a classical or neo-classical standpoint. This view can be described as a system of economic management in which *laissez-faire*, or free enterprise, is encouraged and maintained. Under capitalism in Africa, individuals have the right and freedom to own and control the means of production, dictated largely by commercial or profit considerations. Production functions and techniques are invariably capital-intensive and the economy is characterised by heavy investment in extractive industries, plantation agriculture and consumer-oriented and commercial activities. Investment decisions are governed by the economies of scale, preconditioned by the application of science and technology to production in order to reduce unit costs. Market considerations, labour costs, mobility and productivity are also major factors influencing investment decisions. Other considerations, such as purchasing power and consumer psychology, manipulated by the owners of capital, are also characteristics of a capitalist form of economic management. This led Professor Jeffery Sachs to say in *The End of Poverty: Economic Possibilities for Our Time* (2005):

> "In some ways, today's development economics is like the eighteenth century medicine, when doctors used leeches to draw blood from their patients, often killing them in the process. In the past quarter century, when impoverished countries have pleaded with the rich world for help, they have been sent to the world's money doctor, the IMF. The main IMF prescription has been budgetary belt tightening for patients much too poor to own belts. The IMF-led austerity has frequently led to riots, coups, and the collapse of public services. In the past, when an IMF programme has collapsed in the midst of social chaos and economic distress, the IMF simply chalked it up to the weak fortitude and ineptitude of the government."

This is really the crux of the matter and Sachs provides food for thought on how development paradigms should shift towards attaining pre-defined goals. Another view held by Issa Shivji is that the capitalist system of development is motivated by high profit accumulation and unscrupulous exploitation of natural resources and the labour force (*The Silent Class Struggle*, 1972). In such a system the concentration of economic power in the hands of a few individual politicians is also encouraged and the distribution mechanisms become lopsided, the rich becoming richer while the poor become poorer. In essence, some writers attribute class struggle within a society to this system of capitalistic exploitation. Furthermore, unlike the traditional societies, capitalism in the African context is associated with the existence of quasi-feudal landowners, who are essentially non-African, and the creation of a landless society which provides cheap labour for factory and plantation owners.

Another aspect of liberalism is the guarantee of civil liberties. In order to ensure such liberties, there is a need to establish appropriate institutions to implement decisions on human rights made at international forums and at the national level. In order to guarantee civil liberties, programmes promoting civic education and policies ensuring a rate of sustainable growth so that the population reaches a reasonable standard of living are also needed. The issue of civil liberties must be taken seriously in Africa. To that end, several institutions have been established to strengthen countries' capacities to deal with this important aspect of political and economic governance.

An important aspect of guaranteeing human rights is for a government to adequately address the problems of poverty in its country. A new and multifaceted approach is needed; one that would enable institutions to fully collaborate with government efforts to improve its performance on programmes for growth, which should be equitably distributed. There are many areas in Africa, especially in remote places, where development never arrives. People continue to live in the same conditions that prevailed during the colonial era and where no government programmes have been recently implemented that would benefit the people in those areas. These people have been denied fundamental human rights. Institutions for civil liberties should also act as 'watch dogs' to curb rampant corruption and theft of public funds, now so common among those who control financial resources. It is equally vital that the widening disparities in income distribution, employment opportunities and social welfare between the rich and the poor be minimised.

A difficult aspect of liberalism in emerging African nations is that in a *laissez-faire* system the rich become much richer while the poor become much poorer. This again is a gross violation of human rights. In such situations, it is hard for governments to argue that social justice and equity exist in the system. The common man looks on with dismay, and even resignation, when the new multi-party government fails to redress the injustices they have come to accept as part of life. This has inevitably disappointed many people, leaving them to wonder whether voting for anybody was worth their while. This has also left people doubting whether multi-party democracy is any better than the previous one-party state. On the whole, they find themselves worse off in terms of food shortages, high and escalating prices of essential goods, collapsing internal security, lack of medical facilities and deteriorating standards of education for their children. The list is long.

STAGES OF LIBERALISATION

In order to understand the liberalisation of African development structures, it is essential to briefly outline the stages through which the liberalisation of capitalism in the Western world has passed. According to economic archives and literature, the following forms of capitalism can be distinguished: pre-business capitalism, petty capitalism, mercantile capitalism, industrial capitalism and national capitalism. Writers have identified three forms of capitalism in Africa: bureaucratic capitalism, 'totopoly' or state capitalism, and corporate capitalism, which are characterised by monopolistic or oligopolistic tendencies.

Bureaucratic Capitalism

Bureaucratic capitalism seems to have evolved out of petty capitalism and pre-business capitalism. Pre-business capitalism is identified with the African traditional society and defined as a phase in development characterised by a communal or co-operative economy involving a mixture of non-monetised structures and a crude cash economy. This form of capitalism is said to have existed in Western Europe before the year 1100 A.D. Under this system, lords owned large properties worked by serfs and division of labour was based on individual skills. In Africa's case, white settlers organised production and distribution, based on their individual preferences. Individuals acquired social status through inheritance, acquisition or mere plunder. Consumption in Europe governed production, to the extent that an exchange system was developed to support Europe. Evidence suggests that pre-business capitalism emerged in some African countries under the protection of colonial policies.

Petty capitalism also emerged, becoming the backbone of the 'informal sector' as we know it today. Said to have existed in Western Europe for a period of 200 years, between 1100 A.D. and 1300 A.D., it is recognised as an early type of private capitalism. Petty capitalism is believed to have introduced business to modern world structures, primarily for exchange. This innovation, through

'guilds' or associations, brought about greater specialisation in business functions, such as investing money in a business venture, lending and borrowing money for business purposes and selling goods on credit. Economic thought in that time period was influenced by 'canonist' doctrines based on Christian ethics where economic responsibility, such as fixing prices, was governed by religious, moral and ethical codes.

Bureaucratic capitalism may also be identified with mercantile capitalism, believed to be the first system of ownership to link the market with productivity. One of the basic elements of business expansion was the extension of the market through competition. This form of capitalism is said to have flourished between 1300 and 1800 A.D., replacing petty capitalism. It introduced a system of controls into the economic machinery and foreign trade became the main source of capital and power. Under this system, many European nations embarked on voyages of discovery to other continents, primarily to bring back new merchandise, unknown until then in their own lands, and subsequently to look for places where the excess populations of Western Europe might settle. The mercantilists virtually controlled the seas, trade routes and even the economic destiny of the nations they 'discovered'. Government was supposed to take care of politics, not economic matters. Some African scholars also share this view.

Bureaucratic capitalism has existed in many societies in Africa, beginning with the 'informal sector' as the springboard for small-scale entrepreneurship. As this system developed, foreign capital often collaborated with the indigenous elite or middle class – the petit bourgeois – who were either private businessmen, civil servants or employees of corporate capitalists. In some cases, local indigenisation simply served as a Trojan horse for external interests seeking full protection from internal legislation so they could enjoy enormous immunities and privileges. The highest form of bureaucratic capitalism resulted in the local petit bourgeois being appointed director or even chairman of local branches or affiliates or of large foreign conglomerates. This was often seen as

patriotic or as identifying foreign interests with national aspirations.

In some instances, bureaucratic capitalism also took the form of joint ventures or state participation where the government usually owned 51% of the shares while foreign private investors owned 49%. Theoretically, the government acquired the controlling interest, but in practice the government was often only underwriting the success of private foreign interests and sheltering them from industrial disputes or labour unrest. In discussing the situation in Zambia, for instance, The Economist (August, 1969) stressed the following point:

> "The shrewdest businessmen in that part of the world have argued for some time that a 49 percent stake in a business whose success is underwritten by government participation may be more valuable than 100 percent of concern exposed to all the political winds that blow. Companies (like Booker Brothers) that have anticipated the direction of events and invited the government into partnership have no reason to regret Zambian investment so far."

The essence of bureaucratic capitalism, as some economists argue, is maintaining the *status quo*. Although it gives the semblance of economic independence thanks to the political media, changes intended to benefit the masses are always resisted by the petit bourgeois, who ostensibly act in their name. As Tamas Szentes pointed out in *Silent Class Struggle* (1973), it is difficult in such circumstances to properly assess the role of the various forces in the development process. These socio-economic formulations result in the polarisation of income distribution mechanisms by aggravating inequities. Despite cosmetic legislative measures, such as those affecting taxation and employment, the poor continue to become poorer while the privileged few continue to get richer.

Corporate Capitalism

The second stage of transformation was corporate capitalism brought about by the Industrial Revolution. Under this form of capitalism, specialisation resulting from the invention of machinery

to perform specialised production functions was introduced as a factor governing economic activity. Many petty capitalists, such as blacksmiths, cobblers, goldsmiths and other artisans, were simultaneously provided with new opportunities to flourish thanks to their specialised skills. Industrial capitalists were overtly obsessed with the idea of reducing costs as a means of maximising profits. Hence, production structures were reorganised to take advantage of the economies of scale, unleashed through the application of science and technology. One principle of this philosophy was *laissez-faire*, referred to earlier, through which business freedom was secured as a means of encouraging individual motivation. However, the results did not favour the working class, many of whom lost their jobs because their work was increasingly being done by machines.

Financial capitalism is said to have flourished at the same time, especially during the period between 1890 and the present. It was born out of a huge appetite for capital accumulation. This period saw the emergence of the millionaire, and later billionaires and multi-billionaires. Specialisation, introduced under industrial capitalism, became self-liquidating, to the extent that it introduced severe competition, leading inevitably to the decline of petty capitalism. Financial capitalism resulted in the building of huge reserves as a means of ensuring business success as well as insulating businesses from financial crises. Giant and global banking and financial houses took over most of the major business operations and the competition prevalent under industrial capitalism was replaced by new forms of co-operation among financial conglomerates through the establishment of cartels and mergers. The capitalist systems in African societies haven't even come close to financial capitalism, which is still controlled by transnational banks.

Over the past one hundred years, the world has witnessed a rise in corporate capitalism witnessed by the TNCs' tremendous increase in resource and technological dominance in business and finance. Their influence on the political economy of African nations is the

single most explosive issue of modern times. Corporate capitalism is defined as a system of production and distribution characterised by the increasing monopolistic and oligopolistic powers of TNCs or big business in ownership and control of the major means of production. Corporate capitalism decides what to produce, product design, factory location, technology choices, standardisation, packaging, storage, distribution, financing and advertising. To a corporate world, pressing issues like food shortages, energy, the environment, population concerns, poverty and unemployment are better resolved outside the framework of giant corporations. Indirectly, however, capitalist business houses shape the structures of civilisations, life-styles and human values, political ideologies and conflicts, and international economic relations. They sometimes determine which individual will become president, and of which country. More specifically, they stifle local business initiatives through restrictive business practices while at the same time the transfer of science and technology by TNCs to developing countries remains confined, either to their subsidiaries or affiliates. Sub-contracting and joint ventures with the public sector or private enterprises in host countries do not usually result in the transfer of technology.

The history of international politics since the Industrial Revolution reveals that corporate capitalism, through its ability to search globally for natural resources and apply science and technology to production, has made some significant contributions to socio-economic progress in African countries. Evidence shows that TNCs have contributed greatly to advances in plantation agriculture, mineral exploration, banking and financial institutions, transport and communications. Even in terms of research and development, as Susan George points out in *How the Other Half Dies* (1976), agricultural research did not exist in the developed nations before the nineteenth century; and, it was only after colonial settlers were confronted with a myriad of tropical diseases and pests that the plantation owners themselves developed agricultural research and experimentation stations as a means of preventing economic bankruptcy. This chain of events has only begun to change in recent years.

There is heated debate about corporate capitalism's usefulness in modern governments when viewed against a background of privatisation policies for sustainable growth and development. Now, it is argued that growth should increase the output of consumable goods and services at prices people can afford in order to meet the needs of the majority of the population. It should also help transform production structures in African countries into technologically innovative activities. These should consciously be based on the autonomous exploration and utilisation, by national or private and public enterprises, of the country's mineral and human resources, local expertise, banking and financial institutions and other relevant inputs outside the influence of foreign interests. Such a process would generally determine the degree of self-determination necessary to stimulate indigenous capital accumulation, so essential for development.

A burning issue in African economic integration is, since the majority of countries are still technologically dependent on multinational corporations to extract and manufacture their natural resources, how to find indigenous entrepreneurship to carry on with new investments. A clash of interests is inevitable if a change in the status quo is to occur. This is why some scholars believed that nationalisation was the best means to control the input of technological knowledge and skills, including management know-how, which enables the recipient organisation to increase its productive capacity through research, development and design, production, factor inputs, quality control and finance management. The general concern is that new institutions for development lead to the transformation of the vast minerals and agricultural raw materials to combat abject poverty, food shortages, malnutrition and disease. Empirical evidence, however, shows that African countries continue to face formidable challenges in raising local capital for achieving their development objectives and priorities and attaining collective self-reliance. These are partly due to indigenous corporations' lack of meaningful involvement and control over the industrial and development process.

However, the most important issue facing Africa in this millennium is not whether or not to do away with corporate capitalism. It is rather to devise a mechanism so that the capitalist system of exploitation can be modified to take into account problems in the following areas: the restructuring of domestic production by African countries, especially mineral and food processing, as a means of ensuring equitable distribution of incomes among rural and urban areas; the design of technological innovations, research and adapting science, especially in agriculture, to introduce appropriate technology, locally designed and developed to increase the output of goods and services; and, the management of the development process to ensure that the structure of ownership and control over production factors contribute to sustaining growth.

Social Capitalism

A new element emerging in modern political governance is social capitalism. It addresses governments' need to acquire and accumulate capital and foreign reserves for capital goods, imports and economic development. More recently, following the 'global financial meltdown', capitalist states, such as the United States and many others, have used public money to bail out ailing banks, financial institutions and corporations. This has led to a new chapter in economic management. It has also led to heated debates on the morality and justification of using public funds for such purposes. A thorny issue in political and economic liberalisation is the marriage of politics and capitalism. It arises because those who wield political power also wield immense economic power. The inevitable outcome is that, whether or not the country is capitalist or socialist, the result is invariably the same – the majority of the people are exploited. The basic question becomes: Is it possible to attain the welfare of the masses without a material base? For our purposes, we shall examine only a few developments under capitalism to see if the experiences gained and development targets are compatible with the aspirations for the greater welfare of the people. The direct contradiction between traditionalism and capitalism, as some scholars would argue, is: whereas the former

wishes to restore the basic traditional values of the entire human being and enrich life in its entirety, the latter reduces people to an economic tool of exploitation.

It is curious that, throughout the 1970s and 1980s, it was believed that the welfare of the masses increased in direct proportion to government intervention in economic decisions. In other words, the greater the government's involvement in economic decisions, the greater the general public's share would be of the country's benefits. However, the World Bank held the opposite view, stating that development would take place when increased decision-making power lay in the hands of a few private sector corporations. This view had prevailed even though it was obvious that such companies were not directly concerned with economic development or social transformation of the countries where they operated. But, as Bell pointed out in *A History of Economic Thought* (1953), German Romanticism held that liberty, equality and happiness are secured only by the State or the collective will of the people. Income could not be distributed equitably under the *laissez-faire* system where the sole criterion for investment decisions was increased profit for a few. In a *laissez-faire* system of production and distribution, in spite of increases in productive power, wages always tend to be marginal. Moreover, the private property of land always leads to enslavement, and hence the impoverishment of the worker class. In fact, in this type of economic set up, real wages tend to decrease in inverse proportion with increases in returns on capital. The experience gained in African countries where strong government control exists does not support the over-simplistic view that totopoly increases the welfare of the people.

We must remember that, in the traditional society, materialism was largely limited to land, the most important type of property held. Yet land could not be owned by an individual; it belonged to the community through collective ownership regulated according to communal mechanisms. Capitalism destroyed this tradition, turning land into a negotiable instrument which changes

hands regardless of the harm this may cause to the peasant communities settled there. The system of land tenure, though alien to the traditional way of life, has now become the most serious development problem in Africa. In some countries, where feudal or quasi-feudal systems continue to be perpetuated by white settlers and a few indigenous bourgeois, millions of peasants are either tenants, workers or simply landless.

Managing Liberalisation

Can rapid growth be attained in Africa when a country adopts wholesale liberalism as a policy option? No straightforward answer exists to this question, because for some time most African countries have used planning techniques developed by economists in the former metropolitan countries of the OECD. The North bases good governance on classical and neo-classical models that profess *laissez-faire* with marginal or no state control, private property ownership and the establishment of elaborate incentive systems to attract foreign investors. In practice, countries such as Gabon, Cameroon, Kenya, Malawi, Nigeria, Ivory Coast, Egypt, Morocco, Zimbabwe, Senegal, Mauritius, South Africa and Botswana, to name only a few, are said to follow a capitalist philosophy of planning, refined to different degrees.

However, even in these countries, the results have been mixed. As Sandbrook and Cohen put it in *Development of an African Working Class* (1975), the genesis of capitalist planning and conceptualisation described in an African context is 'a concept of development, at least in the short run, for maximising production rather than ensuring social equality; a decision that development in this sense can best be stimulated by the production of material incentives (especially the profit motive) and the associate institutions or private property and the market; a considerable reliance upon foreign capital and expertise to modernise the economy; and, the official encouragement of indigenous entrepreneurship in both rural and urban areas.'

On the other hand, the underlying assumption of good governance espoused by the Bretton Woods Institutions rests on private enterprises carrying out the project investments foreseen under the plans for public utility projects for such things as water, electricity, transport and communications. This has led to criticism from other camps that this philosophy exposes economies to too much speculation and considerations outside government control; hence the high incidence of failure despite major advancements in the conceptual framework for planning countries.

Despite the existence of national development plans, many African scholars also have expressed concerns about liberalising the planning machinery. First, the abysmal dichotomy between declaring a development policy and implementing such a policy lies in the fact that since independence many African governments continue to pursue a capitalistic economic philosophy whereby the ruling class exploits the masses. Under this system, ownership and control of the means of production continue to rest in the hands a few foreigners, sometimes supported by overseas governments and with the blessing of national governments. Many African countries have accepted this as the normal course of events. They also look on suggestions for change with suspicion due to their overt and chronic fear that any change to the status quo might endanger their foreign relations, adversely affecting their development efforts. Nothing is more offensive than not making changes that would truly enhance the economic freedom of the masses for fear of displeasing some overseas institution. This is the real problem. Therefore, we conclude that the transition towards self-reliance cannot be achieved unless we begin by changing these neo-colonial concepts of development.

In this context, David Walker in *Economic Development in Africa (*1965) argued that indigenous African economists blindly assist the exploitation of Africa's resources by supporting ridiculously attractive mineral concessions, tax holidays and other economic incentives to foreign private investors – all of which negate the benefits of industrialisation. He further

claimed that Africa does not seem to realise that the damage to its resources, due to unregulated exploitation, is permanent and irreparable. Instead, some Africans pat themselves on the back for their ability to interpret and implement Bretton Woods economic thought without ever realising that this is the main cause of Africa's persistent underdevelopment. By the time Africa woke up, all minerals and other natural resources to support future development programmes were owned and exploited by foreign companies. In other words, its dependence on Euro-American economic institutions became complete and irreversible.

It follows, therefore, that Africa's failure to come to grips with its planning problems has also manifested in the field of currency and monetary theory. African economists have attempted to create national monetary institutions based on models from London, Paris or Washington. Some governments even hold all their reserves at these centres. Many political leaders and African bourgeois consider it unsafe to keep or invest money in Africa. The question now is: If African leaders have no confidence in the institutions they've created and over which they preside, why should ordinary people be expected to?

The overall results of unbridled liberalisation in Africa are indefensible in a number of ways. First, capacity building for development hasn't taken place. Policies in education and training need to be reorganised so that people can learn to use modern science and technology to further development. The goal of colonial policy, from which current African economic management principles were derived, was to maintain a situation of intellectual bankruptcy, and therefore make African countries dependent on the former metropolitan countries for technical assistance, even for the smallest of essential services. In fact, there is growing concern that many African countries have been invaded by illegal immigrants from Asia who have taken away job opportunities from African citizens. Cases exist even today where simple jobs, like those of secretary and telephone operator, are

still filled by white expatriate girls on the pretext that Africans do not yet have the training or experience to perform these jobs.

Second, development planning under liberalisation has not always been viewed with the real needs of the people in mind, but rather according to the demand for raw materials in metropolitan Europe. This was supported by land tenure policies which encouraged expatriate settlers to own land while preventing indigenous Africans from holding any property. The objective of this policy was to prevent the African entrepreneurship so essential to promote economic development. Furthermore, food production has always been neglected because it was more profitable to concentrate on producing cash crops for export to European countries. Deliberate policies were adopted at the same time to discourage manufacturing by indigenous entrepreneurs. Unfortunately, this situation continues to prevail in some nations, and largely explains the food shortages and famine in many African countries, especially during severe droughts. This policy also encouraged the importation of food and consumer goods at the expense of domestic production. The situation has grown worse since the mid-1980s when many African countries became increasingly unable to feed their growing populations.

TOTOPOLY VS LIBERALISATION

Totopoly is defined as a situation where the state owns and controls the major means of production and distribution. After 1923, totopoly or state capitalism became prominent in determining business decisions in some parts of the world, especially the former socialist countries of Eastern Europe. Under this system of management, governments attempted absolute control of the factors of production through the 'commanding heights' doctrine. Ownership of business, and other means of production, was considered unsafe in private hands and many governments instituted tight controls over the economic process as well as the

location and orientation of certain business operations. One of the main principles of totopoly was the desire to ensure maximum welfare for the citizens of a country; therefore, investing in social infrastructures and other public utilities had to be assured. Public utility enterprises and statutory corporations were introduced. These performed side-by-side with private businesses in certain fields, either through joint ventures or other forms of equity participation.

It should be said that, at the insistence of the World Bank, totopoly is now gradually being replaced through liberalisation in order to privatise entire economies. In other words, the World Bank's hidden agenda, some would argue, is to cripple state machinery and hand over African economies to foreign interest. This is the North's direct response to the Marxist ideology that had emerged in Africa, according to which the state had to own and control all the major means of production and distribution as well as capital accumulation, including banking and financial institutions. Under this system, private ownership of capital and businesses was associated with the exploitation of the masses, and therefore, neo-colonialism. Many African countries, falling into the self-styled socialist, Marxist or communist categories, had practised a totopoly modelled after the system of populism in the Soviet Union, which eventually disintegrated under internal and external pressures.

One of the nagging research problems in studying totopoly is that no empirical mechanism exists for effectively assessing the efficacy of state capitalism as a policy instrument for African development *vis-à-vis* the private ownership of capital. What proponents have done is to interject the Soviet or Russian systems on the semi-traditional African capitalist mode of production and distribution without adjusting the institutional machinery. Thus, in its undiluted form, pure totopoly calls for absolute state ownership of the production structures supported by the proletariat or the masses, which are in fact controlled by the ruling military class or dictatorships. These ruling military classes, more often than not,

have actually stepped into the shoes of the former bureaucratic capitalists. In this sense, the military ruling class becomes the new 'petit bourgeois' disguised under the umbrella of socialist reform and worker participation.

The most fundamental characteristic of totopoly is its powerful mass media propaganda machinery. The population is mentally drilled into believing that those in power are there for the good of the general masses. And yet, more often than not, these new ruling military classes, just like the 'petit bourgeois' they replaced, have huge private bank accounts overseas, own large farms, live in huge houses, drive large cars and enjoy a standard of living beyond their wildest dreams – all in the name of the working class whom they vow to protect from imperialist exploitation. In some cases, they even imprison or kill innocent people in the name of the masses.

Another characteristic of totopoly is its peculiar tendency towards self-preservation and self-perpetuation. Its objectives, nevertheless, appear noble at first glance. They attempt to organise the productive forces in order to transform the economy for the benefit of the masses and to eliminate distortions in capital accumulation and income distribution. In some situations in Africa, the standard of living of the masses has actually deteriorated; hospitals are dirtier and less equipped; food shortages are the order of the day; and, preventable diseases are on the rise. The difficulty arises after the liquidation of corporate or bureaucratic capitalism, and totopoly assumes the exploitative characteristics of the former, continuing the status quo. In fact, in Africa, the polarisation of classes appears to be more acute under state capitalism than even under capitalism.

Another characteristic of totopoly is its inherent insecurity. This is associated with a fear of competition and the suppression of the working class's civil liberties. Unlike corporate capitalism where workers are allowed to form unions, this was not the case under totopoly, since workers' strikes were often interpreted

as economic sabotage and those responsible are swiftly tried as traitors, counter-revolutionaries or agents of imperialism. Therefore, some scholars believe that rather than increase the welfare of the working class, state capitalism actually silenced the proletariat's voice and puts an end to any meaningful system of wage bargaining.

THE RISKS OF OVER-LIBERALISATION

The next major concern in the quest for new directions for Africa is the risk of over-adjustment. There is genuine fear that the pursuit of 'deep' and untested policy reforms, as a precondition for donor support, has exposed African economies to harsh competition, which small-scale enterprises cannot withstand. While all industrialised nations have effective controls over their industries, trade, finances and foreign reserves, African governments are forced to liberalise to give undue advantages to foreign companies. It is for this reason that African countries feel that the policy reforms need to be reviewed given the economic harm these have caused. Africans are also asking why they should dismantle their trade and financial barriers when the G8 are not. Furthermore, development economists argue that macroeconomic stability is not the *sine qua non* for growth. What Africa needs is to pursue macroeconomic growth within a stable economic and political environment. A general view held by Africa is that a stable macroeconomic structure should have the capacity to absorb new capital and investment thereby making economic growth sustainable.

Furthermore, proponents of growth speculate that huge private-sector investment takes place, not because of macroeconomic stability but because of growth potentials the economy is perceived to possess. This is true. Where an economy has stopped growing, further earnings from new business ventures are unlikely, thus making the economy unattractive to foreign

direct investment. This explains, in part, why over the past twenty years huge investment financing has moved from Europe to the more vibrant economies of Latin America and South East Asia where huge profits could easily be made. Proponents of growth are therefore disconcerted that the policies devised in Washington have made Africa relatively unattractive to foreign direct investment. In fact, since the introduction of SAPs and ESAFs in many African countries, dramatic capital flight has occurred and new investments have generally dwindled.

This therefore implies that other conditions must be put in place to safeguard investment. The shared view is that African nations need to create a safe and stable political and economic environment where a viable private sector can generate macroeconomic growth. This must be supported by a vibrant financial and monetary system that encourages the establishment of effective and robust financial institutions with sound corporate governance. Such a system should have adequate skills to assess and manage credit to investors, as well as the capacity to respond to the growing needs of the economy.

It is not evident that 'macroeconomic stability' is not an important precondition for growth, largely because investors use the performance of their ventures and sound corporate governance to decide whether or not to invest in a country. This clearly does not imply stabilising or holding back the growth of macroeconomic aggregates.

We advance the argument that African economies must first achieve rapid and sustainable macroeconomic growth and establish sound and strong financial institutions before opting for 'macroeconomic stability'. In other words, liberalisation should follow growth when economic aggregates are stimulated to grow significantly so that African countries can effectively pull themselves out of endemic poverty. The new policy framework discussed in the next chapter throws some light on how African countries can overcome abject poverty and attain high and sustainable growth.

Another one of Africa's concerns is not whether Washington dogma is the right remedy for growth and poverty reduction or not, but rather what can be done immediately to release countries from the poverty trap. The World Bank and IMF must be persuaded to agree that African economic dynamics are evolving, and a new pact between African governments and them is needed. A combined effort must be made to resuscitate growth in Africa's economies, bringing them up to a level where poverty can be eliminated and where investors can earn more profits.

It is for these reasons that many African economists have expressed grave doubts about the wisdom of Washington's insistence on liberalisation policies that have resulted in economic stagnation. Their doubts are based on the fact that an economy cannot be stabilised and grow at the same time. As stated earlier, no evidence exists in the economic history of the world that supports the argument that a country must first stabilise its economy in order to grow. African leaders and their development partners must accept that past SAPs and economic policy reforms need to be reviewed, and take into account the economic realities facing African nations. The goal for Africa must be to generate high economic growth and transformation quickly in order to significantly reduce poverty.

The bone of contention is that if the policy objective of the IMF and the World Bank is merely to ‘stabilize’ the African economies, then what is the rationale for seeking structural adjustment programmes that were supposed to generate growth? It is self evident that Africa had hoped that the real answer lay in the desire of the Bretton Woods Institutions to generate growth. However, after Africa followed stabilisation programmes for more than two decades, evidence indicates that it is worse off now than at the time when these SAPs were introduced in the mid-1970s. The question that needs an honest answer is: If past policy reforms are not yielding the expected results, why are the Bretton Woods Institutions reluctant to embrace a new macroeconomic policy framework for Africa?

Another complex question in African economic policy is whether economic liberation results in equity and social justice. This is a difficult issue to comprehend, because the idea that a human being can be considered an economic animal to be exploited by capitalism runs counter to the social capitalism discussed in the previous section. Thus, when Father Bede Onuoha spoke of capitalism, he emphatically condemned it, citing the uneven distribution of wealth and the harsh and offensive contrasts between opulence and an unbridled luxurious life of the privileged few versus the deprivation of the majority of the people (*The Elements of African Socialism*, Onuoha, 1965). Samir Amin also argued in *Unequal Development* (1976) that liberalised capitalism causes society to be divided into conflicting classes, unduly elevates the importance of money, uses capital to hire labour without due regard for human or moral values, envisions production only for profit, not for satisfying human needs, perpetuates feudalism and enslaves the working class.

This implies that because materialists see labour only as an economic factor, they fail to distinguish the value of humans from that of capital, machinery and equipment. Human beings are regarded merely as part of the equipment used to earn profits for the owners of capital. In another sense, some have argued that materialism when associated with liberalism is incompatible with welfare and equity, since it thrives on self-centred motivation. This cuts across the traditional society by alienating people from development. It also destroys communal relationships and individual respect for society. In essence, those who have money wield power, totally disregarding the welfare of the masses. Furthermore, a capitalist's prosperity depends upon his or her continued ability to exploit the masses for his or her own personal gain. The system leaves no room for government intervention, which is effectively prevented by indirect bribes and other irregular practices.

The liberalisation of human capital should be viewed in light of the immense economic power capitalists wield – the means of production,

marketing and distribution being concentrated in the hands of a few. Due to this enormous power, capitalists also control research into technological advancements and how science and technology are harnessed for development. As a result, labour becomes highly vulnerable to exploitation. This leads to reduced possibilities for peoples' participation in the development process. In other words, the human being becomes a silent spectator in a game that affects his very livelihood. Another consequence of this concentration of power is the division of society into two classes—the 'elite' and the 'masses', the latter becoming increasingly dependent and controlled by the former. Class friction intensifies as a result of this concentration of power while part of a society's human capital remains undeveloped.

In addressing this issue, Kenneth Kaunda in *Zambia: Independence and Beyond* (1966) asserted that materialism aggravates unemployment, and hence the plight of human capital, because the system feeds on exploitation and the pathological urge to maximise profits. The labour-capital mix in production becomes distorted through the use of more labour-saving devices even when other simple technology would suffice. When translated into development policy, advancement is seen as the ability to import huge and complex capital equipment, which according to some African countries indicates a technological breakthrough. In reality, the success of such technology is measured by the number of workers displaced, not by a rise in the living standards of the masses. The result is increasing unemployment and consequent widespread degradation and deprivation. When employment opportunities have been shrunk by underdevelopment, the increased use of labour-saving or capital-intensive technology is both disastrous and criminal.

SOCIAL WELFARE

The conclusion drawn from the preceding section is that economic liberalisation has two major adverse effects on the social welfare

of the people. Firstly, apart from encouraging neo-colonialism and the exploitation of the masses, if not properly regulated liberalism may result in the purchase or importation of obsolete plants and machinery which may not produce the results foreseen in a country's national plan. The 1946 Tanganyika Groundnut Scheme is a classic example of this. The scheme was a British plan to cultivate peanuts in what is now present-day Tanzania. The tractors imported did not stand up to the task and eventually the project was closed down at great expense to taxpayers. In recent years, several African countries have experienced similar problems with passenger vehicles, such as buses or aircraft, imported from industrialised countries without provisions for their maintenance.

Secondly, the transfer of technology in a liberalised economy may result in the choice of mass poverty, as this may fail to take into account the real development requirements of a nation, especially due its tendency to shrink employment opportunities rather than expand them. A related problem with technology transfer is its effect on environmental protections. In recent years, advanced nations have attempted to dump their pollution-prone industrial plants and toxic wastes in Africa, something that will eventually aggravate the continent's environmental problems. If this is allowed to continue, Africa will effectively be importing pollution from industrial countries. The Bhopal Gas Tragedy in India may be repeated in Africa.

In reality, the daunting challenge is to find an effective technological mix that will combat mass unemployment while developing appropriate technologies suitable for rural communities. The guiding principle for applying science and technology in a situation of labour abundance should be increased employment opportunities. Therefore, it is the adaptation of technology to meet specific needs that is relevant to development, not its transfer.

As Wionczek stated, ‘It is now broadly accepted in non-industrialised African countries that their economic future will largely depend upon their ability not only to acquire know-how

abroad, but also to adapt internally and build upon the imported know-how of their own scientific and technological capabilities' (*Inter-economics*, 1973). He further criticised the means used by foreign companies to make technology available to non-industrialised nations, especially as a means to take control of the development process. He points out that technology transfer involves heavy expenditures in the form of foreign exchange reserves for 'poor' countries. It amounts to a constant flow of technology that is never really adapted to local conditions. Even more depressing is the nearly free rein given TNCs and foreign governments when making decisions regarding the type and level of technology used to provide technical assistance and investments, decisions made without taking into consideration the need to increase employment in Africa.

If technology transfer is to be effective in assisting African countries to attain higher levels of welfare, recipient governments must review the entire technical assistance packages offered, the criteria for choosing technology for industrialisation, the type of financing governing investment decisions, and the type of indigenous expertise to be entrusted with absorbing and adapting such technology. Moreover, since the greatest asset in 'poor' nations is human capital, the choice between technological or labour-intensive techniques may sometimes be a choice between life and death for the millions still held captive by poverty. Governments need to boldly identify the types of technology which are essential and appropriate, how such technology will be applied and in what areas.

For instance, Brazil's experience shows that such actions do not result from goodwill, but largely through government enforcement of the law. They should also be supported by effective dialogue between recipients and donors as well as between indigenous planners and their foreign counterparts in order to develop a formula whereby the former learns from the latter without betraying their values. Moreover, foreign experts must understand that technology cannot be merely

transplanted to other countries; it must be adapted to local conditions.

Liberalising Production

The next issue we wish to discuss relating to liberalisation is the nationalisation or ownership of the major means of production, either through corporate capitalism or state capitalism. This has become an important factor in choosing a political governance style in Africa. Over the last four decades or so, world opinion has shifted dramatically on the issue of permanent sovereignty over natural resources; however, African views on the subject have been unclear. Until the 1960s, corporate capitalism claimed nearly unquestionable rights regarding the exploration and exploitation of natural resources in African countries. Since the 1970s, the emphasis has gradually shifted toward equity and social justice, and hence, the era of free-handed and unimpeded extraction of natural resources by foreign enterprises has been challenged.

There is still, however, considerable opposition from donor communities to any power-sharing that might diminish the relative freedom enjoyed by foreign firms in Africa. These TNCs, with the support of their home governments in the North, vehemently argue that ownership requirements and other restrictions on the exploitation of resources impede the proper extraction and utilisation of these resources. TNCs therefore often try to put pressure on African countries to grant the same exclusive rights over natural resources as were granted during the colonial period. In addition, they sometimes withhold information regarding the size and commercial viability of natural resources if governments do not guarantee their commercial interests. It is however widely accepted in both developed and developing countries that information non-disclosure often results in mal-distribution and misuse of a particular natural resource and should therefore be condemned.

No general agreement exists as to what constitutes the major means of production or ‘commanding heights’. Perhaps the

most comprehensive definition is one from the *Arusha Declaration* (Tanzania, 1967):

> "The land, forest, mineral resources, water, oil and electricity, communications, transport, banks, insurance, import and export trade, wholesale business, steel, machine-tools, arms, motor car, cement and fertiliser factories, the textile industry, and any other industry upon which a large section of the population depend for their living, or which provides essential components for other industries, large plantations especially those which produce raw materials essential to important industries."

If this definition were to be accepted, then the issue of liberalisation would become multidimensional. The problem today is not only one of acute physical shortages of goods and services, but also of economic and social mal-distribution and misuse of these means of production. For instance, the *Cocoyoc Declaration* (Mexico, 1974) firmly stated that, 'the failure of the world society to provide a 'safe and happy life' for all is not caused by any present lack of physical resources.' The declaration went on to state that it is possible for ways of life and social systems to evolve so they are more respectful of the environment on the entire planet. The road forward does not lie through doom or despair or through the easy optimism of continual technological fixes. It lies through adapting technology to meet local needs.

Within the context of African economic integration, the issue of liberalisation or control over developing domestic institutions, especially indigenous private enterprises, to undertake the functions currently fulfilled by TNCs, has reached unprecedented political significance. Current mineral resource agreements or concessions also need to be reviewed in order to bring them in line with development objectives and aspirations. In exercising this choice, a conflict of interests has occasionally emerged between some governments and the Bretton Woods Institutions over the principles, modalities and enforcement of sovereign rights. Africans generally assert that the key to productive technical co-operation for economic development and prosperity is the ability

of governments in developing countries to direct the use of natural resources to the best advantage of their peoples.

African leaders and scholars have often been frustrated by the fact that TNCs have penetrated deep into African politics, to the extent that there is a cause-and-effect relationship between economic prosperity and the structure and pattern of ownership of development resources in Africa. This is because the TNCs own the major development resources. They decide how and where to apply science and technology, which industries to develop and even which leadership to work with. TNCs often exhibit stubbornness in order to maintain their commanding position in African development policy and economic management. For this reason, some African governments find it extremely difficult to institute schemes for sustained development, because they do not really control investment decisions.

The crux of the matter is that the liberation of the means of production from state control does not guarantee the welfare of the poor in Africa. Rather, it simply perpetuates domination of Africa by the North. In an attempt to lessen this, corporate capitalism has been suggested. Development should now be considered as a way of combating mass poverty and as a means of strengthening Africa's political and economic influence *vis-à-vis* the rest of the world. Furthermore, because profit aggrandizement still continues to be the way of doing things, TNC activities only perpetuate mass poverty through the ruthless exploitation of resources. For this reason, economic development cannot proceed along the desired path, since the decision regarding how to develop is made by those who control financial resources.

It is equally difficult to implement good governance principles in a non-monetised economy because the means for financing and investing lies in the hands of private individuals, foreign powers and other foreign corporations whose prosperity depends largely on continuing their domination over economic policy. For this reason, Africa has become one of the biggest battlefields for ideological

and economic conflict. Major economic and political decisions are made by multinational companies who own or control the means of creating and distributing wealth in any given nation. Their primary objective is to make maximum profits and not to promote economic growth.

Therefore, the case for liberalising the economy becomes unconvincing and does not assist in solving the tug-of-war between African governments and donor institutions to determine who owns the means of production and who benefits from them. That is to say, in what proportion is ownership divided between the state and corporate entities, and what methods are put in place for ensuring that wealth is evenly or equitably distributed among inhabitants within nations. In another sense, we are forced to ask the question: Is corporate capitalism willing to liberalise? For if mal-distribution exists, the world as a whole, and Africa in particular, will be poorer; and as a result inequalities will exist in society. This would strike a blow to the much-valued humanist traditions inherent in African societies.

The past, present and future role of African corporate capitalism will continue to provoke animated debate. On the one hand, some economists from the North believe that TNCs have made and continue to make significant contributions to the economic prosperity of poor countries. They even believe that without TNCs most developing countries would have been economically worse off. The more militant economists and politicians in African countries, on the other hand, see TNCs as vanguards and protégés of a new era in neo-colonialism. African history bears evidence to the fact that TNCs have not only been indifferent to mass poverty, but have in some cases actually adopted policies calculated to frustrate development aimed at poverty alleviation. For instance, projects that enhance the welfare of the people are deliberately ignored by TNCs. This tends to reinforce the more extreme view that TNCs stand between persistent mass poverty and economic prosperity. This controversy is no longer confined to academicians. During the 1980s, it was widely believed

that the world was steadily moving towards a head-on collision between TNCs and individual governments that wanted to see their indigenous enterprises play an increasing role in financing investment decisions. As things turned out, TNCs managed to silence the militant groups and individuals.

It is within the framework of this crisis that we discussed the role of liberalisation under corporate capitalism and argued that, for small African countries with limited natural, financial and human resources, regional integration offers an alternative and perhaps a more effective way to break the technological divide (*Africa Spectrum,* 1973). Regional integration would result in better utilisation of scarce resources and a way of achieving a faster rate of industrialisation. Africa must begin to rely on its own resources and technology for development, because it can no longer rely on Europe as an assured market, even for its raw materials. In fact, the collapse of the Doha Round of Multilateral Trade Negotiations has brought home the point that Africa's development path cannot be modelled on global trade agreements. The naked truth is that Africa is standing alone, out in the cold.

The driving force governing technological innovation is the desire to combat poverty, ignorance, hunger, disease and malnutrition. Kwame Nkrumah in *Africa Must Unite* (1963) recognised the potential power in the joint utilisation of resources as a way of combating neo-colonialism, and spearheaded the formation of the OAU. The OAU also recognizes the need for technology transfer for regional integration. For instance, the UNECA's African Strategy for Sustainable Development places strong emphasis on regional and sub-regional integration as a means of dealing with corporate capitalism. The strategy stresses that 'integration of national economies is, therefore, concentrating on regional physical planning, integrated rural development, reform of local government, income policies, transport and communications and building and construction.' This is the basis for new forms of governance in Africa.

A related issue concerning the liberalisation of the means

of production is the management of finance and investment in production and distribution. A difficulty arises because developing African countries have no means of effectively taxing corporate finance for purposes of development and increasing social welfare. But more fundamental is the question whether foreign direct investment has made a real contribution to resolving African poverty. Some argue that it has contributed to Africa's socio-economic advancement by providing employment for local unskilled and semi-skilled labour, and in recent years for a few Africans to attain 'figure-head' managerial positions. However, in terms of overall development, others argue that the policies of foreign companies work against the move towards development for two reasons. First, a strong African investment framework is seen as a challenge to the position foreign direct investment has in controlling the major means of production. Second, the main finance houses, particularly transnational banks, are constantly devising integrated market structures for the distribution of their financing, mainly on the basis of profit. These cover a wide range of goods manufactured abroad or assembled through branch plants or extensions of their production lines. These generally cut across import-substitution programmes of African countries and frustrate the emergence of indigenous capital accumulation.

International donor communities are also becoming increasingly apprehensive about the discriminatory tendencies in international financing. For instance, Jeffery Sachs in *The End of Poverty* (2005) observed that if foreign assistance is substantial enough, and lasts long enough, the capital stock will rise to lift the poor out of poverty and subsistence. This is true for all African countries. One immediate question is whether or not the financial and political strength of transnational banks can really be used towards a more liberalised and equitable distribution of the world's wealth. More fundamental questions are: How far can global financial institutions go in providing a driving force for development? How much of this force can be used to the advantage of the nations on whose territory these multinationals operate? What steps should be taken to curtail their powers? Putting it

more pragmatically, what action can African governments take to ensure that, in implementing new management techniques, the vast financial resources now in the hands of these foreign corporations can be tapped and harnessed to finance concrete projects for accelerated national economic development?

Opinion is sharply divided, both on the role of global finance in the liberalised African countries and on the measures necessary to effectively manage resources Africa does not possess. Some governments have felt quite strongly about the issue and have attempted to nationalise vast areas where corporations once wielded unquestioned power. This, however, has only brought about the combined wrath of corporate finance, the World Bank and the IMF, as well as of the governments of the G8. The lessons of Zambia under Kaunda and Tanzania under Nyerere cannot easily be overlooked. Therefore, in the majority of cases, governments have felt helpless in controlling foreign financial institutions operating in their territories.

The problem with liberalising finance for indigenous business is made more difficult by corporate financial magnates who form part of an ever-expanding neo-colonial web. The power of transnational banks is so great with regard to individual African countries that one might compare them to a giant octopus, spreading its tentacles into every conceivable form of economic activity, and thereby preventing the growth of indigenous enterprises. What the octopus fails to catch with one tentacle, it will certainly do so with the others. These corporations have strong interests in over eight major branches of activity in African countries. They include import and export businesses, wholesale and retail businesses, including supermarkets, transport and communications, banking and insurance, manpower and training (including the transfer of technology), mining and extractive industries, the petroleum industry, manufacturing and processing industries and agriculture. The million-dollar question is: Will corporate finance accept liberalising their grip on African economies to allow for small indigenous, national or regional financing enterprises?

Clearly, the degree involvement of foreign finance in Africa is such that an African economy will always be dependent on industrialised countries for all its financing. We can deduce that, due to this linkage, industrial development financing in Africa is merely an extension of the financial structures of the transnational and merchant banks located outside the region. This tends to strengthen the balkanisation of the continent, which started during the Scramble for Africa. The reason behind this is obvious: these corporations do not wish to see an effective integration of African countries into viable monetary and financial structures that might one day pose a serious threat to their own control strategies. From their viewpoint, the only form of integration that might be tolerated is one that would consolidate their position in African economies.

This intertwined relationship resulted in African countries being reduced to the status of neo-colonial economies with a growing dependence on external sources of funding. Issa Shivji echoed the real problem of economic dependence when he concluded that 'a neo-colonial economy essentially remains a trading economy. It remains an export-oriented economy whose industrial units are vertically integrated with the parent industries in the metropolis with no or very little integration with other industries or sector of the neo-colony itself' (*The Silent Class Struggle*, 1972). This development is clearly visible in economic groupings, such as the Southern African Development Community (SADC), whose survival as a regional grouping almost entirely depends upon donor benevolence. This linkage implies that industrial development in Africa, as conceived by some donors, is merely to support the market for production lines or famous brands of the TNCs situated outside the region.

Capital Accumulation

As was stated earlier in this chapter, under corporate capitalism, the decision to invest in an enterprise is based purely on profit maximisation principles, and there are few cases where political considerations predominate. Western writers assert that in a market based purely on market forces, such decisions are governed by

the trade-off between risks and return on investment as well as the capital climate of the area in relation to government stability. In African countries, however, the decision to invest cannot always be governed by profit motives since governments may decide to intervene, especially in vital areas of economic activity, such as 'key' industries, to ensure the stability of the economy as a whole. The difficulty facing African countries is that they are often forced to choose between granting incentives, which deplete the returns that otherwise might have been reinvested, and nationalising certain industries. Furthermore, governments might wish to divert large financial resources toward the creation of social infrastructures based primarily on service rather than profit motives. In such cases, the return on investments may not directly govern investment decisions. This has become a bone of contention between donor communities and the governments in emerging African democracies.

It is also true that the freedom to invest anywhere may be challenged due to the pressing need to develop rural areas where the majority of the population lives. This has tended to change the nature of public investment decisions from being motivated purely by profit to being motivated by social equity and justice. Individual governments or groups of countries might decide to adopt joint actions to build the infrastructure required for economic development, even when the returns initially seem negligible. This was the case in such projects as the Tanzania-Zambia Railway and the Cabora Bassa Scheme. Initially, these projects did not seem economically sound from a unilateral organisational standpoint, but thorough investigation revealed potentials for the economic development of the countries concerned. A related consideration is that private investment in Africa has tended to shy away from this type of project and international financial institutions are still reluctant to offer technical assistance. We argue that good governance implies that the decision to invest in some projects may initially be political, that this should be accepted and that the mobilisation of resources should be viewed within this context.

One of the most difficult tasks in maintaining good governance is achieving it without adequate financing. This problem arises primarily due to inadequate funding, because foreign investors, especially multinationals, are often unwilling to supply data about cheaper sources of financial support. TNCs often argue that information on such matters as investment policies and allocation of resources is confidential, despite the fact that in OECD countries this information is publicly available. Consequently, conflicting analyses of the issues result, inevitably blurring the contribution of multinationals to the African economic development process. Despite the limited data available, evidence shows that corporate capitalism has influenced development through resource allocation and externalities.

Some argue that most foreign firms in Africa, being subsidiaries or holdings of parent companies and corporations abroad, are not identified with Africa's development. Moreover, by creating a 'privileged' class isolated from the rest of the community, they in effect encourage the development of economic 'enclaves' in society. The activities of multinationals result in price distortions and disparities in distribution, which perpetuate the class distinctions created during the colonial period. Because of their foreign connections and the ability to transfer resources, firms do not usually produce the 'multiplier effect' in African economies and the spill-over of their investments tend to have minimal impact on development.

This school of thought also argues that, because of their commanding position in terms of technology and managerial skills, foreign firms enjoy advantages in tax holiday benefits, profit transfers, capital remittances and foreign exchange privileges far beyond their initial stake in the economy. The result is often a serious leakage of resources, which exacerbates the economic and financial problems of African countries. Moreover, indigenous firms do not usually enjoy the same benefits for investing funds in their country, nor are they treated in the same way as their foreign counterparts with regard to taxation and other rebates. Evidence

also shows that foreign firms lack concern for the masses, sometimes leading them to make investment decisions that harm the economy.

Proponents of liberalisation under corporate capitalism point out that foreign investment is also directed towards the development of extraction industries, thus encouraging the export of primary commodities and minerals, which in turn increase foreign exchange earnings. Since most of these enterprises also own mineral rights and concessions, they find it difficult to understand why some African governments introduce changes in production policies, which they see as detrimental to proper financial management. They conclude that, as long as the mining and extraction industries continue to be highly capital-intensive, it will be difficult for countries to establish manufacturing and import-substitution industries and attain a high level of development without the full cooperation of corporate capitalism.

A further argument for corporate capitalism is that because of its techniques of production, liberalisation tends to promote cheaper goods for the people and better welfare through the use of capital-intensive technology, something that does not run counter to Africa's objectives for raising living standards. It also helps resolve problems with inequities in income distribution by creating internal distribution networks for mass-produced goods to reach the rural areas. Furthermore, these protagonists insist that corporate capitalism helps resolve the problem of resource drain through the infusion of large capital transfers, profit earnings, high wages for local staff and higher prices for the finished goods exported abroad. With regard to developing local expertise, this results in the creation of local technical and managerial competence whose function is to relay overseas experiences to local conditions by influencing development policy.

So far this analysis has focused on the economic benefits and detriments of liberalisation to Africa. It can be argued that, to the extent they found it expedient, TNCs have contributed in

some degree to national efforts. Although not all TNCs follow the same policies and generalisations may be incorrect, Africa's experience with TNCs has done little to change their image of colonial exploitation. Countries with rich mineral resources are almost invariably trouble-prone or are potential-economic crisis areas. For instance, it is no secret that the global interest shown in Southern Africa comes from a desire to share in the exploitation of its abundant minerals. Southern Africa, and in particular South Africa, Zimbabwe, Angola and the DRC, at one time ran the risk of becoming strangled by foreign powers and capitalism. When issues of equality and social justice emerged in these countries, a conflict of interest between these countries and the TNCs inevitably arose.

Another school of thought argues that corporate capital accumulation is justifiable. The monopolistic nature of businesses' operations allows them to amass huge resources that can be used to overcome obstacles caused by financial crises in the international money market, thereby improving efficiency in production. According to this argument, foreign monopolies or oligopolies do not in principle operate at the expense of local enterprises. Rather, it is their ability to beat the competition that enables them to control the markets.

It must be emphasised, however, that corporate capitalism can interfere with the liberalisation process by ruthlessly controlling government activities through permanent acquisition of concessions and prospecting rights over natural resources, especially minerals and energy; exercising power over the lives of millions of people by influencing development policy and social, political and economic institutions geared usually toward granting their wishes; using economic power to undermine the national sovereignty of host governments; and, by demanding privileges and immunities for custom duties, taxes, currency and exchange control regulations that are not commensurate with the size and nature of investments.

It has been argued from another perspective that TNCs also play a negative role in policy decisions concerning employment, research, investment and economic development. For instance, Krishnamurti in *Inter-economics* (1973) asserted that since TNCs follow a worldwide strategy of interest, they do not normally correspond to the interests of the countries in which they operate. He also claimed that big companies conduct their research mainly in their home countries, which results in little or no technology being transferred or adapted in African countries. Moreover, the complex technology used by most corporations cannot be applied to African conditions without down-grading such technology. Its specialised nature often leads to capital-intensive techniques that cut across African governments' employment policies. In such cases, TNC activities can obstruct efforts towards economic development.

Against this backdrop, the point is sometimes made that the profit element in their operations makes TNCs more efficient, and therefore more effective as an engine of growth for African economies. This merely begs the question in that what is efficient in one environment may not be so in others. In fact, the concentration of economic power in a few corporations increases the degree of monopoly and may promote distortions in resource allocation, and consequently introduce inequities. Many Africans do not share the view expressed by some in the North that there is a net addition to output in the host countries which is greater than the company's earnings. This is why the lack of control over TNCs' activities has allowed them to make huge profits from mining and other extraction industries where net contribution to national development is marginal or even negative.

It is also necessary to examine the role of multinationals in bribing and corrupting politicians and other high-level officials. Baran and Sweezy summed up the situation facing African governments when they stated, 'all the political activities and functions which may be said to constitute the essential characteristics of the (democratic) system – indoctrinating and

propagandising the voting public, organising and maintaining political parties, running electoral campaigns – can be carried out only by means of money; they are also the main sources of political power' (*Monopoly Capital: An Essay on the American Economic and Social Order*, 1966). They conclude that TNCs provide the required financing that puts well-screened politicians into power.

TNCs' abuse of power appears to have outraged the world. Their activities, especially their ruthlessness and immorality in dealing with people, governments and other institutions, has caused some political leaders in Africa to become apprehensive about their dwindling power in the face of TNCs' growing strength. Some economists have begun to seriously challenge the usefulness of a division of labour theory where TNCs condemn Africa to the role of perpetual supplier of raw materials and minerals to industrialised nations.

This raises another fundamental question about the fate of political and economic liberalisation. Paul Kindleberger in *American Business Abroad* (1969) argued that in the wake of the enormous powers exercised by TNCs, nation-states can no longer survive as economic units. TNCs have cut across nations so much that African governments are constantly faced with economic and political power problems. Kindleberger also implied that the economic independence so desired by African nations may be illusory, since they cannot ever effectively gain control over their resources or development path. If this is what the future holds for Africa, the situation is grave and calls for African nations to take positive action. For, indeed, political independence without economic power is meaningless.

History has shown that attaining a 'political kingdom', as proclaimed during the struggles for independence by Kwame Nkrumah and others, has not resulted in all other things being added to it. In fact, many development benefits have and continue to be subtracted from Africa. This is why Africa is trapped in abject poverty. Therefore, Africans will have to struggle against TNC

control if they are to hold their destiny in their own hands. The only consolation is that, if TNCs intend to destroy the governments of the countries in which they operate, it must also be assumed as Edith Penrose rightly observed in *The Multinational Enterprise* (1959) that by this very act they will deprive themselves of the law and order that protects their interests. If this were to become the case, no one would blame governments for not feeling obliged to protect the interests of these corporations.

Managing Corporate Capitalism

The next issue in the quest for liberalised governance is whether a nation-state can co-exist with corporate capitalism. How can good governance be attained in a *laissez-faire* structure? Are there any organised systems of governance in a fully liberalised economy? There is some concern in Africa regarding corporate capitalism and how this can be managed to interact meaningfully with other stakeholders in the economy. The question is: Can African scholars and policy-makers devise an effective policy that maximizes the advantages of corporate capitalism while at the same time minimising its adverse effects? This is a fundamental question in analysing the African liberalisation process, one that must be answered. The main consideration is whether African countries will challenge the powers of corporate capitalism by establishing strong intra-African institutions or whether they will accept the *status quo*. Insofar as the superpowers' policies support their TNCs, African leaders now seem to overtly accept the *status quo*, making declarations about privatisation as part of the economic reform process. But the masses continue to ask: Can people's empowerment be achieved under a *laissez-faire* system?

Africa's inability to control corporate capitalism can be seen most acutely in the mining and extraction industries. Mineral rights and concessions lie largely in the hands of companies with international connections in big markets, such as London, Paris, New York, Tokyo or Berlin. Most of these companies flourished under the protection of the colonial powers, which controlled most

of the African continent and from whom leases or concessions for exploration, prospecting or mineral rights were obtained. These leases, concessions and rights, by and large, continue unchallenged in many African countries. While there is a new awareness in Africa that such rights cannot go on forever, most African governments are reluctant to take drastic measures towards change for fear of arousing the wrath of the donor communities.

In most African countries, control over corporate capitalism in the past meant the government owning 51% or more shares in major industries, leaving the remaining shares to private ownership. Some legislation also attempted to regulate investment, but by and large the management of resources remained in the hands of the TNCs who continued to manipulate economic decisions in their favour. Where governments have attempted some control through statutory corporations, the Bretton Woods Institutions have dismantled such control in favour of the private sector, often branches or subsidiaries of the TNCs. In other cases, corporations have partnered with the state, extending their management even into the government's machinery through their shareholdings. This means that not only have corporations operated under government protection, but in effect run governments' administration through their access to government-classified material, hitherto not readily available to them.

Joint ventures provided another policy instrument of control. These allowed governments and TNCs to exploit certain resources, ostensibly for their mutual benefit. The problem with joint ventures, as Essack saw it in *Africa and the World* (1969) is, in the African experience, joint ventures are not between state enterprises, between a single transnational and several governments. In fact, a pattern has emerged where these corporations behave like governments themselves in their negotiations with African governments, their board of directors acting like cabinet ministers. Such a peculiar relationship gives corporate capitalism unprecedented power and prestige, enabling corporations to manipulate events in their favour. This was Africa's

experience in the rescinded contract between the Lonrho Group and the Organisation of African Unity. In this historic agreement, Lonrho demanded that, as a condition for becoming a 'consultant' to the OAU, it should 'without prejudice to fair competition, be appointed to act as contractors, managers, buyers or confirmers in respect to the acquisition of services, capital equipment, consumable stores, and other goods and services' in the African countries affected by the oil crisis (*West Africa*, 1974).

Looked at in another sense, African governments have often found the activities of transnational corporations incompatible with equity and social justice. Therefore, some writers have concluded that exploitation is a function of the state of mind of the exploited. If a government is not prepared to protect its labour force from exploitation, then strikes, walk-outs and other forms of protest ensue. Any popular uprising due to exploitation is often ruthlessly suppressed in the name of maintaining the peace and security of the state. This is because in reality multinationals control governments, and this causes the latter to regard strikes or any other legitimate demand of the exploited working class as unpatriotic or communist inspired.

There is genuine fear that if corporate capitalism is not somehow controlled, by the year 2020 Africa will probably be owned by fewer than ten giant corporations through subsidiaries spreading their tentacles of power in all fields of economic, social, political and cultural activity, like an oversised octopus. If this were to happen, governments would then cease to be effective instruments for promoting the welfare of their people and would simply become mouthpieces and bodyguards for the TNCs.

In order to change the *status quo*, recent developments suggest that, alongside political and economic liberalisation, corporate capitalism must also be liberalised. In other words, TNCs must hand over some control to indigenous enterprises. A consensus now exists that privatisation, focusing on new ownership and control of resources by African indigenous

entrepreneurs, is the *sine qua non* for successful growth-led policies and sustained development. This should be reinforced by creating a framework for co-operation between indigenous companies and TNCs. Control over Africa's development resources by African entities can also be ensured by establishing indigenous TNCs, fully owned and operated by Africans and having the same structure, organisation and management as the foreign-owned TNCs. The new African TNCs' activities could provide the necessary framework for good and effective management. The new African-owned TNC corporations should also have full control over financial and mineral resources in the African states, including mineral rights and concessions which they can exploit to support programmes for sustainable growth and development.

According to a viewpoint gaining prominence in African economic thinking, one of the greatest problems in economic liberalisation is that up until now there has been no effective method of controlling policies or monitoring the activities of transnational banks. Banking and financial institutions have had almost unquestionable power over financial and monetary policies in many African countries. Their decisions affect the lives of millions of people in these countries. However, good governance cannot be achieved by any government if it has no control over its monetary and fiscal policies. The consensus now is that this problem can be effectively tackled by establishing African banking institutions, financially backed by a group of governments and managed along the same lines as the transnational banks. These new African banking institutions should be created to operate joint enterprises with the same structure, initiative, flexibility and drive as transnational banks. These enterprises should be self-financing and therefore profit-making in their approach. The role of African governments should be to give them their highest political backing and create an enabling environment for them.

Some observers firmly believe that African governments should take collective action to change the current situation. For instance, Segal in *Development and Integration* (1973) pointed

out that economic integration should be based on a new kind of political culture to promote self-reliance and detachment from international capitalism. Ideally, the nucleus of new business organisations should be state-owned financial institutions with new management drawn from the private sector. The point of departure must be the establishment of African financial multinational enterprises, run entirely by the private sector on behalf of member governments. The ECOBANK, the PTA Bank, the East African Development Bank and the Southern Africa Development Bank are forerunners of such African financial institutions. This type of enterprise demands indigenous institutions that have definite corporate status and that are, to use the language of former US President Roosevelt in his message to Congress in 1933 recommending the formation of the Tennessee Valley Authority, 'a corporation clothed with the power of government, but possessed of the flexibility and initiative of private enterprise'.

THE LESSONS

The first lesson we have learned is that, in devising a new institutional framework for good governance and economic liberalisation, liberalism has not helped African countries integrate their economies so they might control the science and technology necessary to transform their huge resources into wealth. Liberalisation has also made it difficult to attain regional economic integration. In recognition of this, the African Union has agreed that effective measures should be taken to ensure that the new African management machineries are interlinked to avoid unwanted exploitation by foreign entities. In essence, a new business culture needs to be created by establishing joint African transnational enterprises in order to ensure the successful transfer of financial and economic power from foreign transnational corporations to the indigenous private sector. This was achieved in Japan, India, Korea, Taiwan and Singapore, to name but a few countries. The donor communities have, therefore, no moral right to oppose

such a process in Africa.

The second lesson is that the case for political and economic liberalisation presumes that African governments have begun to fully understand that good governance is a function of political leadership's commitment to development. It must also be stressed that the corporate production functions described earlier govern decisions in areas of activity where the indigenous private sector is not fully participating in business. This makes it hard for industrial development to really contribute to socio-economic equity and justice. One way to correct this situation is to review existing mineral rights and concessions and negotiate new ones, liberalising structures so that indigenous enterprises receive preference. Concern also exists at the African level that declarations regarding possible strategies have so far remained simply that – declarations describing a dream. Therefore, unless African governments pluck up enough courage to take drastic measures to control their destiny, foreign transnational corporations will continue to rule over them with increasing impunity. This is the challenge Africa faces in its development efforts. This is the challenge the Bretton Woods Institutions must squarely face if they wish to sustain their credibility in Africa.

We can also draw other lessons. In today's world, political liberalisation is a political decision. Financial liberalisation is a matter of economic choices and options not available to weak governments. However, the issue in African economic management is not whether corporate capitalism should continue in Africa, but rather how to get foreign firms to contribute more positively to the development process. Therefore, the indigenisation of investment mechanisms should be allowed in order to maximise the advantages while minimising the adverse effects of corporate capitalism. It can be argued that corporate capitalism has made significant contributions towards advancing science and technology in Africa in the areas of production and distribution, pharmacology, medicine and informatics. Many also argue that foreign corporations have made contributions to employment by

increasing opportunities for wage-earning, thereby distributing incomes to a wider section of the community. However, the issue remains: the poor continue to become poorer.

Experience has also shown that in countries endowed with oil, mineral or large forestry resources, foreign intervention has been heavy, to the extent that such countries have become the vestiges of neo-colonial interests. Nigeria, the DRC, Zambia, Zimbabwe, South Africa, Angola and Sierra Leone are all cases in point. Mineral prospecting and extraction, often beyond the capability of national governments, both financially and technologically, are controlled by corporate capitalism, and therefore tend to undermine government policy. This is equally true in the fields of telecommunications, electronics, computer science and technology, where corporate capitalism indirectly controls management and governance.

Empirical evidence suggests that due to the monopolistic control of information and communications technology by corporate capitalism, liberalisation in Africa will not particularly benefit the poor, especially in rural areas. This is largely because the main objective of establishing industries by multinationals is not to develop Africa, or improve the welfare of its people. The poor and voiceless Africans have always been left out of the development process. This explains why class distinctions and conflicts persist and have intensified. Those who own the means of production do not wish to share the benefits with the general masses. Consequently, income distributive mechanisms have become polarised. The rich have become richer while the poor have become poorer. In that sense, equity and social justice cannot be attained.

Finally, the G8's doctrine for good governance, while advocating political and economic liberalisation of African economies, fails to address the problems of indigenous small and medium-size private enterprises that effectively contribute towards sustained growth and development. In many cases, these

enterprises are in fact forced out of business. Therefore, the failure or unwillingness of the G8 to regulate their multinationals or to eliminate their illicit and restrictive business practices in African countries constitutes one of the single most harmful policies undermining the efforts of poor countries to alleviate poverty. This also continues to frustrate governments' drive to end corruption in the private sector. In turn, this inevitably robs the country and vulnerable population groups of prosperity. Therefore, the shared view is that any changes should reduce or eliminate the elite or '*petit bourgeois*' whose sole function has been up until now to preserve the status quo. How well bilateral donors and multilateral lending institutions understand this peculiar situation will determine how effective liberalisation will be as an instrument for good governance, failing which Africans will continue to question the rationale for liberalisation as an effective instrument that can lead towards economic recovery, sustainable growth and poverty reduction in Africa.

11

THE SOVEREIGN NATION STATE

"Every state has the sovereign and inalienable right to choose its own economic system as well as its political, social and cultural systems in accordance with the will of its people, without outside interference, coercion or threat in any form whatsoever."
(United Nations Charter, 1945)

NATIONAL SOVEREIGNITY

In the preceding three chapters, we have noted that essential elements of the African dream include the guarantee of democracy, good governance, human rights and social justice. In this chapter we will assert that the power to govern is a fundamental right of every nation-state. It is also critical to achieving the African dream. We begin by emphasising that respect for national sovereignty of both rich and poor nations should form the cornerstone of new global institutions for political, economic, social and cultural development. Similarly, the African people generally believe that a good global system is one that treats all people with justice and equity, regardless of their colour, race or creed. In order for globalisation to be of use to Africans, it must inspire trust in the global system of governance. One nation or group must not ever be allowed to usurp the power of smaller states in order to govern according to its laws and customs. In other words, national sovereignty as enshrined in the United Nations Charter must be respected by all nations at all times.

For the purpose of this analysis, a sovereign state is defined as a politically independent country that has the right to govern itself, has a government and has an established system for managing its political, economic and social affairs. We shall examine how the sovereign state operates and how the state can safeguard human rights by exercising its rights and duties. The basic tenet here is that government must be responsible; it must try to fulfil its campaign promises to the people. In this regard, several factors, such as the state of the economy and the level of development of a sovereign state, have great influence on its nature and operations. Understanding this is critical in assessing the willingness of Member States to surrender national sovereignty to a regional, continental or global organisation. In order to understand how power-sharing evolves in a nation, we must understand what a sovereign state is, its role in guiding human relationships and its rights and duties.

The United Nations fully recognizes that all governments, large or small, have the right to develop and design their own strategies for growth and development. This is guaranteed by the United Nations Charter. Thus, in discussing the importance of human rights vis-à-vis the rights of the state, a conflict often arises regarding what determines the nature of such rights. It is important to understand that experience and such African philosophies as *Négritude, Ujamaa, Humanism*, and *Deustorian* Socialism have taught us that the regulation of political and economic institutions of governance is dictated by the exposure each nation-state has to international political structures and pressures.

The point to stress here is that the African concept of a state's rights is a hybrid of a multitude of different ideas, which include political concerns, traditionalism, colonialism, pan-Africanism and neo-colonialism. The juxtaposition of these forces has dictated what each state understands as its sovereign rights. The African political process, like that in all other post-colonial economies of the world, is also constantly influenced by external factors. These must be isolated if a meaningful analysis is to

occur regarding what a state can and cannot do. At the time of independence, many African countries inherited immense socio-political problems: some as a result of their geographical location, others as a consequence of their foreign relations. However, as a general rule, sovereignty was largely determined by the mineral and oil deposits a country had. In other words, countries with huge mineral deposits and extractive industries were given less sovereignty and political freedom than those dependent on agriculture and food production.

To illustrate this, we need to point out that most countries adopted a form of political management based on a difficult choice: to continue with the political system established during the colonial era or embrace new philosophies that unchained them from the forces that had oppressed them. Once sovereignty had been gained, each government had the political and economic freedom to use its natural resources and human capital to bring about truly African-oriented growth and development strategies.

Sovereign governments always have the choice of relying on their country's own domestic resources for economic recovery and growth or to depend on the benevolence of industrialised countries. Similarly, countries can also choose to adopt internally designed political and economic policy reforms that would allow governments to implement a policy of self-reliance and reorder existing programmes so as to harness their natural resources to benefit their people. Therefore, we can argue that the ability of governments to deal with the present political crisis has not always been beyond their control. Rather, underdevelopment is directly the result of how political leaders and their advisers have perceived their sovereign rights in managing the political and economic growth and development processes.

Some have argued that the former colonial governments should be given credit for creating the nation-states as we know them; however, it must also be noted that their economic policies have resulted in the impoverishment of the very people

they claimed to assist. In general, nationalists believe that the most serious form of neo-colonialism has been the increased control of sovereignty by foreign elements through subtle forms of penetration using political surrogates. In order to reactivate the development process, there needs to be a new form of economic organisation. Political surrogates have not identified themselves with the concerned countries' development objectives – to combat and eliminate poverty, ignorance, hunger, disease and malnutrition. In fact, the activities of surrogates often tend to aggravate mass poverty through predetermined policy orientation, misuse and externalisation of financial resources, all of which interfere with the power of a sovereign state.

Evidence suggests that a new threat to African sovereignty is the non-governmental organisations (NGOs). Over the past two decades, an overwhelming number of NGOs have been registered in Sub-Saharan Africa, ostensibly to assist governments in development. However, some donors appear to discreetly fund and use such NGOs to destabilise governments they do not like or to support certain political objectives. This leads one to ask: How does a sovereign state exercise choice in determining its own political path? Ever since political independence, there has been fierce debate, especially outside of Africa, about how donors influence a sovereign state's management. Some argue that underdevelopment is largely the result of bad policies made by former colonial governments or the one-party governments that replaced them. This group holds the view that the exploitation of a country's resources is the primary cause of mass poverty and degradation in that country. It also believes that economic factors are primarily determined by forces beyond their control, such as direct intervention by foreign powers, economic destabilisation, interference in the political systems and the nation's internal policy choices. These views are widely shared and many argue that interference in state powers is the main reason for the lack of visible growth in a country.

SOVEREIGNTY AND ACCOUNTABILITY

The rights and duties of a state are also related to the management and accountability of resources. Hence, measures to avoid corruption and misuse of public funds are the sovereign powers of the state. Yet, exercising sovereignty does not absolve the government from being accountable to the people who elected it. Therefore, when a government acts irresponsibly, leadership – whether dictatorial, military, and one-party or multi-party in structure – has specific and solemn duties to perform on behalf of the civil society.

To develop this idea further, we need to recognise that government has the following rights: to exercise full permanent sovereignty over the wealth and natural resources of the country; to choose the men and women who will serve in the government in order to make economic policy suitable for the social, political and cultural systems of the country; to develop its foreign policy and external relations; and, to design and implement programmes and strategies which will achieve its stated goals and objectives. The power of the state begins immediately after the government has been sworn in and these rights are granted to it by the constitution.

Notwithstanding the above rights, the State has solemn duties and responsibilities to govern appropriately. To this end, the United Nations stipulated that government has to shoulder the heavy responsibility to develop a country and raise the standard of living of its people. In that respect, the State also has the obligation to design and implement policies that will free the masses from food shortages, hunger and malnutrition, diseases and abject poverty. More precisely, the sovereign state has, among others, the following obligations to the people.

First, government must unite all people regardless of tribe, race, colour or religion, and ensure that all people act

as one, especially when national interests are threatened. The government must truly be a government for everyone, and not just for the members of the ruling party.

Second, to be credible government must achieve sustained economic growth, create wealth as a means to eradicate poverty in all its forms, especially in rural areas, and ensure that the poor have adequate access to income-generating activities that will enable them to become self-reliant. It must also distribute this wealth with equity and justice, ensuring that all people receive the benefits of development, including investment opportunities, business loans and financing, and access to new investment opportunities.

Third, government must stamp out corruption in all its forms, stop the theft of public funds and stop the misuse of public property for personal gain. In this regard, the president, government, cabinet, civil service and the executive heads of statutory corporations should be bound by a code of ethics, requiring them to fully account for their actions at all times.

Fourth, government must provide adequate internal security and full protection to all its citizens, including opposition leaders, the local business community, foreign investors, accredited diplomats to the country, experts and advisers from international organisations and tourists. In short, government policy's goal should be to ensure that the country is a safe place for all.

Fifth, government must ensure food security for everyone by making sure that enough food is grown to feed all, on a non-discriminatory basis. It must also work to eliminate hunger and malnutrition, especially affecting children, and it must prevent people from being exploited due to rising prices of essential commodities, including food, clothing and medicines.

It is also the duty of the State to provide adequate physical and social infrastructures, such as good roads, decent housing,

fully equipped schools and hospitals, enough medicines, entertainment and recreational facilities, especially for youth and people with disabilities. Similarly, government must guarantee security of tenure to civil servants, including teachers, the armed forces and the police, as well as facilitate their promotion and salary reviews and create adequate retirement packages that will allow them to continue living reasonably decent lives.

The consensus is that if justice and peace are not attained, then government has failed in its duties to the people and should be replaced by another government that will deliver on its promises. At this stage, the state's primary duty in well-established democracies is to implement policy objectives for social justice. These should contain adequate measures to increase the production of goods and services aimed at enhancing the welfare of the people. One should, therefore, conclude that the biggest challenge to democracy in Africa is to ensure that social justice and equity are achieved. Women, children, the elderly and people with disabilities, often short-changed by the system, should be given the highest priority in resource allocations. It is a matter of concern that measures to increase the employment and welfare of these people have not yielded the expected results, largely because programmes for industrial and agricultural productivity have so far left rural communities out in the cold.

Another challenge related to the duties of the state is that, except in a few countries, African governments have experienced difficulties in instituting effective measures to support democracy through industrial development and manufacturing. They have been unable to make enough goods available to the poor at affordable prices. The prices of most essential commodities, including staple foods, have been allowed to skyrocket to a level that cannot be justified by so-called market forces. This essentially alienates the populace from the mainstream of growth and development.

THE RIGHT TO DEVELOPMENT

Let us continue our discussion on the African dream by emphasising the rights and duties of the State by emphasising that guaranteeing social justice and equity should be attainable in any democracy thanks to its efforts. The United Nations stipulates that all people have a right to development – economic, social, cultural, and political development, and women, children and the disabled in particular, should be given special consideration in the application of this right. Whether or not this basic right is being observed is a subject for further debate. However, a point must be made about one factor that hurts social justice: the industrial sector only produces a very narrow range of products, causing most goods to be imported at very high prices. This in turn reduces income that would otherwise be available for developing or improving social and physical infrastructure. Consequently, in most of Africa, we see dilapidated schools, hospitals and public utilities, because the State can't deliver on its promises to the people for a 'better tomorrow'.

With this in mind, some observers have argued that states have lost control of their economies, to the extent that the rate of economic growth in these countries is influenced largely by external factors. They argue that the large number of unbridled largely foreign, speculative investors have forced the government to adopt ineffective policies to regulate the production of goods and services that do not increase the people's welfare. This situation has been aggravated by the inability of governments to significantly transform patterns of production and distribution in the industrial and agricultural sectors and reorder priorities in the allocation of resources away from unproductive expenditures that cannot be justified in a country where many people suffer from extreme poverty.

Another important duty of the State is to fulfil its mandate, its obligations and its promises to the electorate with full accountability and transparency. To that end, a government

running on empty promises is like a car running on an empty tank. Sooner or later, it will run out of gas and the people's trust in the political leadership will be betrayed. Critics often argue that one of the State's derelictions of duty has been the 'conspiracy of silence' many governments adopt in the wake of evidence of economic mismanagement, dishonesty, lack of accountability and personal greed. Where an obvious lack of political discipline exists among politicians, there is widespread disillusionment and disappointment regarding government performance. There has also been a growing tendency among those in power to 'make hay while the sun shines'. The hunger for quick riches of cabinet ministers, senior government officials and chief executives of statutory corporations and the private sector has been so insatiable in some cases that it has resulted in the virtual plunder of an economy, leaving insufficient resources for growth and development. In fact, some of the poor believe that they are not even allowed to pick up the breadcrumbs that have fallen from the tables of the rich. Furthermore, it is openly known that in some countries cases of corruption and theft of public funds have been swept under the carpet, even when overwhelming evidence has existed against the perpetrators. There have also been cases where individuals have acquired a fleet of vehicles, several farms and other real estate within a very short period of time.

Government critics also argue that this conspiracy of silence, in many instances, has tended to strengthen mismanagement and corruption, often facilitated by the absence of strict management and accounting systems that might reveal where government funds have 'leaked'. Similarly, in the commercial sector, policies for domestic resource mobilisation and investment decisions are not based on the desire to increase the welfare of the masses, nor are they geared towards achieving social justice. Those who control the private sector are often able to freely divert public funds for personal use. Therefore, it is difficult to see how one can validate claims to defend democracy when in practice the real needs, hopes and expectations of the people are not considered. This in effect means that the State has betrayed the trust the

people gave them through their votes. Once in power, politicians all too often forget or marginalise voters' interests, steal public funds or squander them with impunity, and then display their newly found wealth.

The magnitude of corruption and mismanagement was highlighted by Barber Conable, former President of the World Bank, in his programme for Africa's recovery. He observed that power abuse arises from the fact that:

> "All too often, there is a lack of government accountability to the governed, a lack of the encouragement that would liberate entrepreneurial instincts, and a general lack of fair competition between farmers and firms. Open political participation has been restricted and even condemned, and those brave enough to speak their minds have too frequently taken grave personal risks. I fear that many of Africa's leaders have been more concerned about retaining power than about the long-term interests of their people. The cost to millions of Africans, to the men and women it has been my privilege to meet, has been unforgivably high."

A similar observation can be made regarding the consequences of the new economic liberalisation policies under which foreign investors come to Africa. These investors have no commitment or obligations to Africa. All they are interested in is making huge profits. They have generally moved into trade or service industries, making little or no investments in the productive or manufacturing sectors. As a result, employment opportunities have dwindled. These developments have inevitably caused concerns, because the newcomers' exploits do not take into account the welfare of the people. Equally disturbing are the long and well-established investors who came to this region during the colonial period and who may not have fully adapted to the new political situation. Many of these investors do not open up opportunities for black entrepreneurs. Moreover, some of them do not use bank accounts and deal largely in cash. This money is quickly externalised in the 'black' or 'parallel' markets, with the proceeds shipped out of the country. Some of these investors have opened bank accounts

only to facilitate money-laundering operations. Those in the export business receive payment in their overseas bank accounts, the region getting nothing in the process. These practices clearly deny Africa access to its foreign exchange earnings and further impoverish the countries while reducing the welfare of their citizens.

People in many African countries feel strongly that a new investment policy needs to be introduced, requiring that a certain percentage of export earnings, or net profit after tax, should be reinvested in the country concerned in order to create more jobs for the people. This policy would not be a regulation of investment, but rather an opportunity for investors to show commitment to, and confidence in, the political system of the country. 'Ploughing' some of the funds back into business operations is a normal business practice and good common sense; it does not represent a loss to the business venture.

POLITICAL VALIDATION

Another obligation of the State governance is to obtain political validation of its national policies and programmes, as well as for decisions made at the African Union level. This validation should take the form of dialogue with and feedback from the electorate or civil society about how the government has performed over a certain period of time. Such validation is facilitated if the citizenry feel they are an integral part of the transformation process.

Where no growth takes place and no new wealth is created, prospects for social justice and equity become difficult to achieve, especially since the little wealth generated is usually shared only among the powerful and mighty. This has been the case in a number of countries where the economy has taken a nose-dive over the years. Thus, when looking at a similar situation in other developing countries, a report from a panel of United Nations experts on the environment stressed, 'Development objectives

should be redefined to include greater stress on income distribution and employment, more attention to social services and welfare-oriented public goods, and greater provision for political participation in the development process'. This implies that the political, social and cultural dimensions of the civil society cannot be separated from the development priorities of the State, and indeed, from the basic needs of the people. In other words, it is imperative to quantify the social needs of the people as part of the democratic process.

In order to reverse the downward trend and achieve national economic recovery, bold initiatives need to be taken by governments. The civil society also needs at the same time to make great sacrifices by saving and controlling its consumption of luxury goods. If the end result of development is to improve quality of life, then a redistribution of resources should occur, with special emphasis on increasing the availability of good housing, potable water and water for irrigation, higher quality education, sanitation and medical facilities and roads. More specifically, the following actions should be given high priority by the State.

First, education facilities, including vocational training and skills upgrading, must be significantly improved, especially in rural areas. Intensive programmes should be implemented at the same time to improve adult education and reduce illiteracy as a means for enlightening the masses. Public utilities, such as the post and telecommunications, water, sanitation and electricity in all areas, should be greatly improved as a means of attracting more investment to a country. The last decade has seen a large influx of fortune hunters into Africa who are not committed to support the governments except where they expect to be awarded a lucrative contract. Through treachery and bribery, these so-called investors have bought large farms, land, real estate, trading ventures and other property, and have quickly assumed control of African economies while replacing Black enterprises. This has inevitably resulted in new tension and conflict between the middle class and the State.

Second, social welfare and recreational facilities, such as cinemas, playgrounds, sports parks and children's centres, should be created throughout the country, especially in rural areas, to provide a new outlet for youth to spend their free and leisure time.

Third, a new land policy should be put into place to prevent land-grabbing by a few wealthy individuals and foreigners colluding with a few powerful local people. Governments should redistribute or acquire more land to be available for poor people, and such land should be used for food security or other productive purposes to increase the availability of goods and services.

It is important to underscore that although social facilities are the responsibility of the government, the private sector should also be involved in providing or upgrading these facilities. A general consensus now exists that a country with better social and physical infrastructure provides a more attractive environment for investment. Again, the duty to improve overall social welfare should not only be that of the State, but also of the private sector. Social justice and the establishment of a decent environment for all people call for the co-ordination of all sectors of the economy, so that the overall performance of the economy improves.

EMPOWERING WOMEN

In the matter of asserting national sovereignty, the vision is to have a progressive policy to empower women in the civil society, especially that of policy –decision-making bodies. To begin, women have throughout the ages made significant contributions to the political, economic, social and cultural advancement of their respective nations. However, when it comes to guaranteeing human rights, women have been among the least protected. In most African countries, women form the backbone of the rural economies and informal sectors. This being the case, gender equality becomes not only a means of ensuring social justice and

equity, but also of embodying human rights. A global consensus exists that the political rights of women constitute the foundation of any democratic system. Therefore, violating their rights cuts across civilised norms of governance and is not compatible with democracy. Equally important is the need to promote and uphold principles which balance the rights and privileges of men and women as well as create an environment conducive to the political and economic empowerment of women, a pillar of human rights.

The United Nations General Assembly has recognised, as far back as 1952, the need for an international convention on the political rights of women as an important step towards the establishment of national and international systems of governance where men and women would be treated equally. To that end, the *Convention on Political Rights of Women* (1954) provided that 'women shall be entitled to vote in all elections on equal status with men, without any distinction'. The Convention also stipulated that women shall be eligible for election to all publicly elected positions and shall be entitled to hold public office and exercise all public functions on equal terms with men. The Convention further states that discrimination against women takes many forms and includes, 'any distinction, exclusion, or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in political, economic, social, cultural, civil or any other field'.

This definition provides ample guidelines on the status of women in the context of emerging democracy in this part of the world. In the process of democratisation, women and human rights organisations in African countries must be fully involved in ensuring that the basic rights of women are respected.

The World Bank has also pointed out that the issue of women's rights cannot be adequately addressed simply through general policy; specific actions must be taken that will benefit women and children. This can be achieved by addressing the

inherent imbalances in the economic and social distribution of wealth so evident in many African societies. To this end, the World Bank urges governments to invest in women, showing that the returns from such investment are very high, and thus yield tangible results in improving the entire society. It states: 'By directing public resources towards policies and projects that reduce gender inequality, policy-makers not only promote equality but also lay the groundwork for slower population growth, greater labour productivity, a higher rate of human capital formation, and stronger economic growth' (*Towards Gender Equality*, 1995). The World Bank concludes that gender equality strengthens the family and the capacity of its members to make rational decisions that ultimately benefit the nation.

It is therefore plausible that in order for the African dream to take root in Africa, there must be strong conviction and commitment by leadership to uphold the rights of women and strengthen their capacities to contribute towards governance. It is vital that women be empowered in real terms, both economically and through appropriate legislation, to contribute towards the design and implementation of economic and social policies and strategies at all levels of society. Furthermore, governments must work towards gender balance in allocating positions and responsibilities in professional and political fields.

One of the main elements of the *Bill of Rights*, discussed in a previous chapter, stressed the rights of women as an important element of development. In this chapter, we shall concentrate on this important aspect of power-sharing and a strategy that gives meaning to the co-ownership of democracy. We will also look at how to bring democracy to the people at the grassroots levels by returning power to women. We shall discuss how to motivate rural communities to support democratic reforms through a greater participation of women in such reforms.

To begin, over 80% of the population in most African countries lives in rural areas where women play a pivotal role in economic

performance. It is therefore logical that the design of democratic institutions should be conceptualised in such a way that these communities may effectively be integrated into the power-sharing framework.

In that regard, the *United Nations Convention on the Political Rights of Women* (1954) adopted as an important stipulation that:

> "Women shall be entitled to vote in all elections on equal terms with men, without any discrimination." (Article 1)
>
> "Women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms with men, without any discrimination." (Article 2)
>
> "Women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination." (Article 3)

In practical terms, this Convention encapsulates the cardinal principle that democracy must be brought to the people in general and to women in particular. Admittedly, this is easier said than done, but the fact remains that democracy without the equal participation of women, who constitute the majority of the people, is hollow and meaningless. There is therefore a growing body of opinion that believes governments can achieve a faster rate of growth if the institutions for democracy allow women greater participation in the decision-making process. The important issue is that any attempt to build democracy without a strong supportive government in which women play a significant role is like building a house without a foundation.

The research further shows that in order to have a genuine government of the people and situate democracy within target groups, political governance must be validated. This would be facilitated if women were effectively included in the operations and management of government. To that end, traditional chiefs and village communities, which form an integral part of government

machinery, need to be reorganised to place more women in responsible positions.

In reference to the above, it should be noted that women play an integral part in Africa's traditions. However, most countries in Southern Africa do not have a common conceptual framework for participatory democracy based on their own traditions. Many do not seem to recognise that a nation can attain higher levels of growth and development if its strategies are based on its own cultures and traditions. It is a shame, because this approach works, as seen in many countries in South East Asia, such as Japan, Singapore, South Korea, Indonesia, Republic of China (Taiwan), India and Malaysia. These countries attained phenomenal rates of growth in a relatively short period of time.

In order to advance women's participation in democracy, we must understand the importance of ecclesiasticism and eudemonism in the traditions of Africa. Women play a critical role in these traditions, because they are more active than men in matters affecting the social welfare of the people, including religious issues. Both 'radical' and 'moderate' economists generally agree that women's work in churches has contributed significantly to the political and socio-economic advancement of Africa's people. In recent years, there has been increased recognition of the role women play in churches, and a number of them have even become ordained priests.

The second major area where women have contributed to development is in the area of public sanitation and health. Here again, the earliest hospitals, clinics and dispensaries were run by missionaries, aided by women. Even when merely satisfying 'basic needs', women have and continue to perform tremendous service through these charitable and humanitarian efforts.

Women also played an important role in the traditional democracies of the past. We must remember that democracy constitutes the basis for self-reliance, the backbone of African

economic thought. This is fundamental because history has taught us that nations were able to withstand the scourge of locusts, famine and extended droughts in the past, because of sound systems of management. Essentially, the state and bureaucratic machinery of that time recognised the role and importance of women to civilisation and the survival of the people. Women were personally involved in agricultural development and the transformation of economies. Traditional chiefs made sure women became personally involved in introducing new farming techniques from foreign lands. This not only ensured their success, but also their cultural and spiritual acceptance by the people.

To advance our discussion about ensuring power to women, let us emphasise that rural peoples consolidate their power base by essentially working together during social and civic functions, such as weddings, funerals, remembrance ceremonies, building or thatching houses, and planting or harvesting crops. All of these activities involve women. In fact, women are more likely to form groups or co-operatives, even in business, than men. There has never been any scientific explanation for this phenomenon, but the fact exists nonetheless. This is the way women have understood life – all for one, one for all – and anything that cuts across this social framework is alien to them. Therefore, for multi-party democracy to interest rural communities, it must be packaged so they see it as a way for women to make greater contributions to society and not as a means for individuals to achieve personal gain within that society. Moreover, in order to convince women that development is taking place, there must be visible changes in their daily lives. For example, it should take them less time to get to the market, draw water, buy bread, sugar and cooking oil, get an ambulance when someone is ill, or get help from the police. If such services were readily available, it would be easier to convince women that economic power is being transferred to them.

It has also been observed that women in every culture, community or tribe, are bound together by ethnocentricity – by which people in that society tend to view, assess and understand economic

transformation and social change. In that context, local authorities, including traditional chiefs, would find it more effective to use women to carry out responsibilities in specific locals, since women have constant direct access to people's feelings, hopes and expectations. Some observers would go even further and argue that no democracy in the world can function well without the participation of a greater number of women in local government. Hence, leadership should make a serious effort to understand the role of women in the smooth functioning of central and local government and in participatory democracy.

We conclude that given the new political and social order in African countries, the concept of women in democracy needs to become embodied in both the traditions of each country and in the communal aspects of local government programmes. In order to reinforce democracy, villages must be modernised by reallocating resources in local government to women and by encouraging people to engage in productive and marketable ventures to increase their income, and therefore their social welfare. For the same reasons, democracy must be based on a clear understanding of the plight of women in rural areas. This will ensure a better chance of democratic reforms being understood and supported by everyone in society.

In reviewing the performance of African governments over the past four decades, some women observers often ask: Is there a place for a woman in charge in the national sovereignty? The answer is definitely: yes. However, it is curious that despite the rhetoric that accompanies presidential and parliamentary elections, there is only one female president in all of Africa. In some parts of Africa, the closest any woman has come is the office of vice-president. Women often become victims of internal power struggles and the machinations of their own parties. So what progress has been made by women in the political arena? Looking at the same issue of participatory democracy from another perspective, there is a growing school of thought that believes that democracy of any type cannot flourish without the participation of

the silent majority – women. In other words, democracy should be designed so that women have access to the power base in civil society.

This raises interesting debate because democracy, being a concept introduced from the West, requires fundamental adjustments in the African social framework to enable women not only to participate but also to feel they are part of the emerging political institutions. That being the case, a woman in charge must be placed in an evolving traditional society where people are not only motivated by political intrigue, but also by a desire to satisfy basic human needs. These needs include food, shelter, clothing, and the ability to increase income and achieve a certain degree of self-reliance. In pursuing these needs, a common understanding and cohesiveness of rural societies must be preserved. Social security should be interfaced with the spirit of co-operation and women's roles should be visible, constituting the rubric of the social framework as understood by them.

In ensuring participatory democracy, we need to understand that women are generally impatient about the slow pace of change. Arguably, they want change to be visible in terms of power and facilities that were previously unavailable to them, including in rural areas. They want democracy to give them more power to regulate political institutions and to bring more food to their tables, better clothing for their children, good housing for their families, and medicines to their hospitals. Therefore, work toward better social welfare for women should not be carried out in a disorderly fashion. It should follow agreed principles where decisions are governed by the market forces of supply and demand, as is the case in advanced societies, and by the need to preserve the cohesiveness and integrity of society.

The point to stress is that in participatory democracy at the local level, women play an important role in rural communities.

And women make up the largest percentage of the people creating wealth in rural communities. Therefore, the realisation that women in these communities are not primitive and ignorant of the scientific advancements around them provides a link that binds society together. Women must have unimpeded access to modern technologies and resources. A sound social framework where gender balance is achieved would enable more resources to be allocated for rural transformation and the acquisition of technologies that would lift women out of subservience. At the same time, involving traditional women, through appropriate representative bodies, in the major decisions that affect them would encourage them to break free of the poverty trap and participate more positively in the democratic process.

Therefore, a key aspect of the transition towards democratic reforms in Africa is to devise new ways of co-owning economic policies so that rural women feature more prominently. In fact, African political leadership needs to reorient its understanding of new governance so that power-sharing ensures that women in charge stay at the top of the transformation process. Although not clearly articulated, this was the basis for successful cultural harmony in many African countries. In Swaziland, King Sobhuza II became personally interested in the rural economy of his Kingdom where women, who made up the majority of people, were involved in new methods of cattle ranching, agricultural reforms and the introduction of new crops and methods of farming. The same was true in Ethiopia, where the former Emperor Haile Selassie I took personal interest in agrarian reforms as a way of bringing development to village peasants, which included women learning new skills in weaving and other handicrafts. In all such cases, the involvement of the King or Emperor ensured that the new programmes were successful, accepted by the people, and that the new changes were based on the people's own cultures and traditions.

THE REALITIES OF SOVEREIGNTY

Since the advent of independence, African countries have learned that their development cannot be sustained without large doses of aid from the G8 countries. This is where mysticism about sovereignty arises. The discussion in this section therefore places sovereignty in the context of who pays the piper. We have shown that when all is said and done, national sovereignty must translate into food, shelter, clothing and medicines for ordinary people. This requires huge financial and human resources. Since all countries depend almost entirely on donor assistance for their development budget and economic development is influenced by donors' perceptions and policies, multi-party democracy can only succeed if donors want it to. This is why sovereignty without resources is like having a wedding without the bride.

In analysing this vast subject, several realities regarding globalisation need to be recognised. The first is that donors do not consider some countries in Africa 'priority' areas if they do not possess large mineral deposits. We see this in the mining interests of the G8 in Angola, the DRC, Zimbabwe, Botswana and South Africa. It is an open secret that when a country has no oil, precious minerals or other natural resources needed in industrialised countries, no amount of democratic reform will be considered adequate for donor funding. Even if funding does occur, the financial inflow comes in trickles. This is an important element of this reality. A case in point was the Democratic Republic of the Congo, where, despite slow democratic reforms, there was tremendous interest in that country by major donors. What was their motivation? This is another aspect of the reality, and partly explains why the level of aid flowing to countries without minerals is so low compared to that of oil or mineral-rich countries. The fact is this: the assessment, measurement or definition of democratic principles applied in strategic countries is not the same as that applied in countries not richly endowed with minerals and oil or which are considered not to have military importance.

This issue of sovereignty is compounded by the assertion that development institutions are designed in such a way as to make it impossible for most countries in Africa to develop without assistance from donors, let alone outside economic systems predetermined by the G8's most industrialised countries. The process of integrating production factors into an intelligible model of political reforms requires very sophisticated tools. At this point in time, no single model, or group of models for that matter, exists which can adequately take into account the strategic-cum-military interests in the donor perceptions of Southern Africa. A new political model needs to be designed to ensure that domestic resource management is compatible with self-reliance, to the extent that aid to Southern Africa will never be sufficient and must be supplemented by each country's own domestic, human and natural resources.

The political crisis in many parts of Africa is part of a broader economic crisis which has manifested in various forms since the 1960s. This fully underscores the question: Will democracy of any form change the situation? It also explains the contradictions in the design of development policies and strategies, to the extent that dreams of prosperity are not matched by real commitments to change by those in power. It further exposes a situation where poverty exists amidst abundance; unemployment amidst shortages of skilled manpower; malnutrition and hunger amidst surplus food production; disease and death amidst breakthroughs in the medical sciences; and ignorance amidst phenomenal advancement in information technology. An explanation for these contradictions lies in the cumulative impacts of the socio-economic crisis on countries and the type of policy options selected, which determines the level of development that can be reached. A general consensus has emerged that those who control the destiny of others ensure that development is slow and inequitable, both among different societies as well as within a particular society. They also ensure that their power is not jeopardised, by spreading development to the masses.

The third reality is that foreign aid is not a gratuitous donation from 'rich' to 'poor' countries. Most of the resources that go into foreign aid programmes for African countries are initially generated in Africa itself through the exploitation of oil, minerals, wood and timber, and many other resources. Each year, the cost of foreign aid and investment in Africa increases, and with it the debt burden of each country. Paradoxically, foreign aid is usually followed by regular transfers of capital and mineral resources from Africa to the industrialised countries through debt servicing to multilateral institutions, profit remittances, capital repayments and amortisation and transfer pricing by transnational corporations. This has led some observers to conclude that Africa is the one giving aid to Europe and North America, and not the other way around, as we have been made to believe all along. Close scrutiny of aid packages shows that there is little or no value in promoting the industrial and manufacturing sectors or agricultural transformation that would enable countries to manufacture goods for export or generate income. In fact, a substantial part of aid is channelled to unproductive social programmes, balance of payments support and import credits which deepen dependence on industrialised nations for manufactured goods. It is important to stress that balance-of-payments support generally protects the exporters from industrialised countries, by ensuring that African countries do not default on their payments. This not only frustrates development, but also puts nations deeper in debt, largely because the support attracts fees, charges and interest which must be paid by the poor countries.

Furthermore, the fact that most countries almost entirely depend on foreign aid and resources for their development causes great concern since the conditions accompanying foreign aid are not designed so the country may attain any viable degree of self-reliance. Moreover, experience shows that such resources are misallocated towards social activities that do not generate further income and none of the aid resources are invested in industries designed to transform rural areas, and as such frustrate employment policies in those countries. General agreement also

exists that foreign aid often encourages the creation of foreign expert enclaves and puppet 'elites' drawn from the indigenous educated class and who act as a buffer between the privileged few and the starving masses. New commitments towards domestic resource mobilisation, through among other things the institution of a new savings culture for Africans, will enable the country to effectively supplement the external resources required to support the national development effort.

The fourth reality is that foreign aid as presently designed cannot sustain democracy, to the extent that it is not designed to solve the problems of mass poverty and underdevelopment. It is a fact that aid policies are not aimed at the real development of Southern Africa, but at sustaining the basic interests of donor countries. Donors are quick to give food aid and other short-term relief, but do not give aid for the medium to long-term development needs of the poor countries. They give food but not the means to grow it. They give medicines but not the factories to produce them. This is the reason that some observers have argued that foreign aid is enigmatic. Donors only put in so much, just to take out more; and, each dollar allocated for aid is a link in the chain that perpetually binds millions of lives to perpetual dependence. Furthermore, opinion exists that foreign aid has not enhanced development fast enough, but has been used as a 'life-support' mechanism instead. In spite of the large sums of money allegedly 'given' to countries each year, nearly four-fifths of the total population remain threatened by hunger and malnutrition and easily fall prey to wholly preventable diseases and epidemics.

The persistent issue Africa will continue to face throughout this millennium in its effort to strengthen its new democracies is the vagaries of international economic and financial relations. For one thing, donors cannot be pinned down to categorically state which direction their policies for Africa will take, something they do for Eastern Europe and South East Asia. For another thing, African leaders and policy-makers are often left to speculate about the contents of future aid packages. This frustrates the efforts of

African countries to increase the rate of industrialisation and move from the stage of primary commodity exports to manufacturing and processing in order to increase value. Donors will give 'balance of payment' support, but will not provide resources for export-oriented agricultural processing and manufacturing. Donors will give the so-called 'pro-poor' social welfare support, but will not fund programmes for African states to grow their own food. Evidence further shows that foreign institutions have a considerable advantage over national institutions in the creation of wealth through manufacturing and processing industries. Through superior strategies for resource mobilisation and the acquisition of new technologies and informatics, corporate capitalism has been able to control the structure and pace of the manufacturing industry in many countries.

Africans are concerned by the continued erosion of national sovereignty through external controls that reinforce industrialised countries' determination to maintain developing African countries as perpetual suppliers of raw materials. Efforts towards achieving a breakthrough depend primarily on Africa's ability to restructure its economy through the promotion of domestic resource-based industries and increased processing of agricultural and mineral raw materials. This is a tall order, however, and hardly achievable in the short run since donors will not provide the new technologies that would enable Africa to compete against their home industries.

The realities raised in this section support the position that Africa's reality calls for a direct link to be forged between democracy, on the one hand, and the implementation of policy reforms and structural adjustment programmes (SAPs) of the IMF and the World Bank, on the other. The donors have made it clear that they will not entertain any request for aid unless they are satisfied that the conditions established by the Bretton Woods Institutions are met. One can only pray that, at the end of the day, sufficient donor flexibility can be achieved so that people in Africa have enough resources to create new wealth, other than food, clothing and shelter, in a manner that befits human dignity.

Furthermore, the realities arise from observations that the patterns of donor assistance to Africa have not been adjusted to support multi-party democracy. Development aid is still designed along donor policies and perceptions that have barely changed over the past eight decades. In fact, donor attitudes towards Africa have remained essentially unchanged, and they are behaving in the same way they did at the time of granting political independence, the only difference being that they are now willing to engage in constructive dialogue with select African countries in the G8 and G20 forums. For the rest, it is a situation of 'take it or leave it'. The pre-determined aid patterns can be seen in cases where, despite well-documented examples of power abuse and corruption by leadership, donors refuse to take tough measures demanding genuine reforms, instead preferring to let sleeping dogs lie. It is this acquiescence that prompts Africans to ask the following questions: How do donors really perceive multi-party democracy in Africa? What is the real reason donors refuse to fund opposition political parties in a multi-party system? Would donors consider a one-party state merely proclaiming to be democratic as satisfactorily meeting conditions for aid if such a country had support? Should African countries have been implementing deep structural adjustment programmes?

These questions are critical in understanding the position of donors on the African experiment in multi-party democracy and national sovereignty. Past experience indicates that donors have imposed one condition after another on governments. Observers often wonder if the rewards in the form of increased aid to Africa are commensurate with the sacrifices made in the externally imposed policy reforms. The truth is that Southern Africans will, for a long time to come, live with the reality that the evolution of democratic, social and economic institutions will continue to be dependent upon how it is seen in the eyes of the donors who influence the decisions on where to fund, for what purpose and in what amounts. In fact, donors also influence the decisions of foreign direct investors as well as the structures of democracy in Africa.

NATIONAL SOVEREIGNTY UNDERMINED

A contradiction in the economic and political management of the African economy is the marriage between the quest for national sovereignty and the donor support to NGOs. This exists because the African nation-state needs foreign aid while maintaining a degree of national independence at the same time, while donors attempt to curtail national independence, sometimes rather openly. Having explained the myths and realities of foreign aid in the preceding section, we can now discuss the democratic transition in Africa as seen through donors' eyes. The issue is that the power to govern is often restricted by conditions tied to donor aid. In essence, no aid comes without strings attached.

We shall illustrate this by focusing on the G8's policies towards Africa. Indeed, we should first recognise that 'those who pay the piper also call the tune'. However, before discussing the form donor support to Africa takes, it should be noted that in general donors have always been clear about what they can and cannot finance. But donors often undermine national sovereignty by choosing to support NGOs instead of central governments. For instance, the G8 and its constituent Member States address the issue of power-sharing through its emphasis on the guarantee of human rights and promoting democracy. The G8 Member States have agreed on a common aid policy that aims 'to develop and consolidate democracy and the rule of law, and [ensures] respect for human rights and fundamental freedoms' in recipient countries. The G8 have also made it clear that its aid to Africa shall be conditional upon the strengthening of democracy, human rights and civil liberties. Its Treaty provides that 'Community policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms'. Therefore, African countries should recognise that the G8 makes a direct link between human rights, democracy and development by supporting NGOs, most of whom belong to the opposition campaigning that the respect

for fundamental human rights is an integral and vital element of democracy.

We can therefore deduce that although donors stress that a vital element of democracy is the development of appropriate policies and institutions that respond to the special situation of each country, this has never been reflected in the conceptualisation and design of SAPs and economic policy reforms. In fact many African countries that have implemented a given set of policies still have not been able to generate economic recovery and growth, and most of the people remain impoverished. This is because some of these policies lack a human face and have proved ineffective in addressing the economic and social problems facing each country. Moreover, mass poverty remains wide-spread and continues to increase and many countries are still classified as 'least developed'. It therefore stands to reason that drastic changes should be made in the way the economies are managed. Many scholars believe that even without the international community's nudging, each government must initiate by itself fundamental political and economic reforms aimed at reversing the economic recession in its country.

It is imperative that the structural adjustment programmes and economic policy reforms encompass fundamental changes in a range of integrated areas. First, donors must genuinely support multi-party democracy so that the monopolistic power of ruling parties may be reduced and reasonable power-sharing achieved in the political and economic fields. This should be done by systematically decentralising power and returning it to the people. For this reason, the conceptualisation, design and adaptation of democracy to conditions in Africa, especially in rural communities, must be supported by the creation of new policies and strategies that adequately take into account the limitations imposed by cultures and traditions, as well as by income disparities, market size and domestic resource availability.

In the second place, it must be recognised that policy reforms supporting democracy call for the creation of appropriate national

institutions for the mobilisation of domestic resources in the productive and income-generating industries in a country. Here, everyone agrees that a proper balance needs to be established between the roles of the public and the private sectors in support of democracy. It is also important to determine the nature and level of international trade with industrialised countries as a means of promoting the export of manufactured goods from Africa to the European Union, North America, South-East Asia and Japan, as well as within the region. This should be accompanied by a new type of relationship between regional economic groups and international organisations in order to minimise the adverse effects of the latter on the development process.

The other dominant view affecting economic power-sharing is that of multilateral institutions. Over the past thirty years, the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund (IMF), collectively known as the Bretton Woods Institutions, have played a key role in the transition to democracy in Africa. More specifically, although the World Bank and the IMF generally require that their support for structural adjustment programmes be determined by the adoption of policies that seek to achieve a market-oriented economy and are directly linked to democracy, human rights and civil liberties, there have been no corresponding changes in their perception of what African countries need. In order to achieve a viable development situation, it must be understood that the conditions imposed by the Bretton Woods Institutions evolve so rapidly that Africa's policy cannot adapt quickly enough to these changes nor can they respond adequately to developments at the global level. Donor resources should allow Africa to undertake programmes aimed at adjusting its monetary and financial policy so as to attain macroeconomic balance, external debt management, control over prices of essential commodities, especially maize and other staple cereals, through agreed limited subsidies. These policy adjustments in the Bretton Woods Institutions are essential to strengthening and sustaining the new democracies.

To understand the future of Africa's national and regional development policies within the context of donor support, it should be explained that in order for a country to qualify for World Bank and IMF assistance, governments must adopt the following policies.

First, there must be progressive liberalisation of prices, foreign trade, and the exchange system, as a means of increasing access to foreign exchange and imports. This implies that any future new industries in the country will have to face competition from well-established and well-funded industries from donor countries.

Second, countries must simplify and rationalise their tax system to make it more transparent and equitable.

Third, governments must not monopolise public entities engaged in domestic production and marketing in order to allow foreign investors complete freedom to invest and engage in activities previously reserved for public monopolies. This has the effect of putting small country investors, like in Malawi, in direct competition with those from donor countries. It should be noted that, in the case of Zambia, all local investors were generally wiped out of existence within a short period of time as a result of this conditionality.

Fourth, there must be labour market reforms to introduce greater flexibility in wages and employment decisions at the enterprise level.

Fifth, governments must reform financial and fiscal policies to make the financial sector more accessible to private foreign investors who are better equipped to mobilise local resources. According to experiences in other countries, this may have the effect of increasing illegal transfers of money to individuals and financial institutions outside the country.

In order to police these reforms, the donors created the Paris Club, which is supported by the heads of state and governments of the eight most industrialised countries and members of the Organisation for Economic Co-operation and Development (OECD). For instance, the Group of Eight, at their summit held in Toronto, Canada, in 1988, endorsed and supported the conditionality established by the World Bank and the IMF for increased flow of financial resources to Sub-Saharan African countries which meet such conditionality. They also decided which countries should benefit from debt cancellation, forgiveness and rescheduling of external debts. This explains why, in spite of adopting multi-party democracy, the relationship that emerged between Africa and the donor communities adheres to the letter and the spirit of Toronto. It is the hope of many that, within the framework of multi-party democracy, a regular review of an economy's performance would be required to assess a country's ability to meet this conditionality without stranging the economy and further impoverishing the already poor in this country.

THE LESSONS

We can now draw several lessons from this chapter. One such lesson is that African governments recognise that in order to realise the African dream, they need huge sums of funds from bilateral and multilateral donors. This raises the question of the African nation-state's survival in the context of globalisation. One way of looking at democracy through the donors' eyes is to pose this question: What is the foreign aid agenda? Some observers will argue that, despite the firm message outlined in the previous section, donors have generally been generous to most African countries. Perhaps the pertinent issue that still remains in facilitating the democratisation process is whether the governments really understand donor perceptions regarding multi-party democracy. Many observers believe they do not. However, no doubt appears to exist in the minds of many people about donors' intentions to see democracy

succeed in these countries. Observers and policy-makers' major concern pertains to the packages donors will put together for the financial, technical and managerial support of all stakeholders, including the opposition, to ensure that the expectations of the people are met.

We have also observed that, despite genuine doubts and fears in donor policies in Africa, it is nonetheless comforting to hear donors make statements affirming or expressing their intentions to support democracy in Africa. Recent statements at the G8/G20 summits also provide some comforts that African sovereignty in now being recognised. It is hoped that they will make good on their intentions. However, some analysts have questioned the efficacy of aid in solving Africa's economic and social problems. A good example comes from Malawi, when during the donor conference held in 1999 the Malawi Congress of Trade Unions (MCTU) pointed out several issues. First, despite the World Bank having been around for more than twenty years in Malawi, it had very few success stories to show for its presence. Some EU Member States had also dumped massive resources to the NGOs, which resulted in undermining the government's policy and programme implementation. Moreover, in a recent review of the government-implemented donor-funded programmes in Malawi, only 20% of the programme services went to the target group. They also pointed out that the Japanese International Cooperative Agency (JICA) tends to work in isolation and keep to itself and concluded that both government and private-sector capacity had not developed through its assistance, nor did any visible or significant signs of a sustainable aid approach in Malawi exist.

The above observations underscore the depth of Africa's disillusion with policies of the Bretton Woods Institutions regarding the problems of financing development. The following question is often asked: Are the World Bank and the IMF ready to adjust their lending policies to support multi-party democracy? An honest answer to this question would help pave the way for creating appropriate institutions for democracy. One thing is clear,

however: the amount of aid to Africa over the past twenty years has increased only marginally from year to year, and is generally predetermined by donors regardless of the type of political institutions in place. In general, donor assistance to the African region has declined in recent years. For another thing, the agenda of the G8 for Africa is predetermined, and does not really change as a result of political reforms in the region. So where do we go from here?

Perhaps the best way to look at the future is to see if new interfacing could be worked out with donors, one through which specific allocations could be made to support fledgling democracies in this region. Indeed, the creation of a working Group on Development within the G20 was a step in the right direction. It is hoped that this process would initiate new dialogue with donors so that short, medium, and long-term development strategies for the group would feature prominently in the donor programmes for strengthening democracy. What is sure is that proclaiming multi-party democracy will not, by itself, convince donors to pour in additional resources. Governments would be required to put in place policies that demonstrate their full commitment and determination to uphold democracy, human rights and fundamental freedoms. From the myriad of complexities associated with multi-party democracy, it is hoped that the donor communities in Africa would support the following initiatives:

The creation of mechanisms to strengthen multi-party democracy so that the foundations for a democratic system of governance in which the rule of law, human rights and civil liberties are guaranteed for all can be consolidated. Donors should find within this structure ways of increasing their support to governments to ensure full participation of the poor in national development efforts.

Economic, monetary and social reforms that bring development to the people, especially in rural areas, do increase the speed of economic recovery and sustained growth, especially

where poverty eradication is given high priority in the allocation of resources. This should be supported by realistic domestic and foreign investment laws and regulations, and sustainable financial and foreign exchange systems in order to allow local and foreign investors to increase their investment portfolios in the productive sectors, while guaranteeing that facilities may externalise earnings within established regulations or restrictions.

The gradual, rather than instantaneous, liberalisation of foreign trade, especially imports of manufactured goods from industrialised countries. This should be accompanied by measures to strengthen national production and supply structures, which in turn would reduce interest rates and the cost of borrowing, especially by local entrepreneurs.

Observers have also noted that some African governments have in the past boasted of carrying out deeper reforms than were required by the IMF and the World Bank. What is not clear is whether this has resulted in an increased flow of donor resources to those countries. For instance, some financial experts and economists question why most African countries, which are among the poorest in the world, could not be given debt relief by the Group of Eight even though they had struggled to service their foreign debt in the past. Policy-makers in many countries have always believed that once all these conditions were met, increased aid, including debt relief, would result. But the reality on the ground is quite different. In the eyes of donors, many African countries do not even qualify for debt relief for various reasons.

Another frustration arises from the fact that, despite donor statements in support of democratic reforms, the experiences cited in the preceding paragraph have raised serious doubts in the minds of the African people as to whether donors and international organisations are ready and willing to materially and financially support the political transformation that would strengthen power-sharing. Against this backdrop, however, observers believe that through SADC donors in Africa had generally displayed

some degree of understanding of the problems countries face in nurturing fledgling democracies. They also agree that more dialogue is needed in order to develop a new pact between SADC and the donor community to enhance sustainable growth and development. The African people hope that the IMF and World Bank will in the future objectively review the impacts of policy reform programmes that would adequately address structural weakness so as to create a new platform and improve power-sharing in emerging democracies.

Hence, the best way to speed up sovereignty over development would be for the central government to share power with local authorities where women feature prominently. In order to achieve this objective, the following reform platform should be implemented.

First, government should make a clear commitment to delegate sufficient power to women at all levels and provide them with a reasonable degree of freedom and autonomy in the design and execution of programmes and projects at these levels.

Second, a more rational system should be implemented for the allocation of adequate human resources and financing to government activities that allow women to execute programmes including the rehabilitation, maintenance and development of infrastructures and allow them to attract investment to municipalities and rural areas.

And third, governments must fully empower women to become mayors and councillors in all towns and cities. Government must also encourage women to identify new areas for investments as well as for strengthening democracy at the local level. Adequate powers must also be granted to women to assist in governance at that level.

Women can provide a democratic 'counterweight' to the government and reach the people in a manner and language they can really understand. This leads us to conclude that, in

determining the ownership of democracy, rhetoric should be replaced by affirmative action to ensure that gender balance becomes the 'seedbed' of democracy and helps government decentralise its activities so that they can reach the people at the grass-roots level. This decentralisation would enable government to delegate more power to women, even in local government offices, to ensure that all aspects of growth and development at those levels truly do benefit women. In fact, this might result in greater efficiency in resource allocation and use as well as provide a means for eradicating poverty much faster than presently envisioned. Women could prove to be effective conduits through which democracy can be transferred to the people and ownership of democracy can truly be shared.

We can further conclude that the G8 governments need to assist African leaders in gaining full knowledge of their natural resources and human capacities. The efforts made by the British Government in the G8 and on the Commission for Africa are positive steps in the right direction. These should be supported by providing Africa adequate information on existing technologies to allow the full exploitation of its natural resources, in which investors would be invited to participate. It is disturbing that some foreign transnational corporations have made deliberate attempts to keep Africa ignorant of its natural resources. The motive has been to reinforce their traditional relationship with Africa—Africa supplies raw materials and primary commodities to the industrialised nations in exchange for manufactured and consumption goods. The concern is this: when vital information is withheld on demand and consumption patterns of natural mineral resources in industrialised countries, African countries cannot make new inroads into the industrial and manufacturing sectors.

The position of African leaders is that, since democracy is about people, donors must increase their support to sovereign States, not NGOs, in order to create new wealth in addition to social development. Governments are established by the will of the people whereas NGOs are established without any form

of validation from the civil society these claim to represent. The development of human capacity and the creation of new employment opportunities, especially for youth, are critical if economic power is to be shared. There is now a feeling that African leaders need to come up with comprehensive policy guidance on how donors relate to NGOs in the country. To achieve that, alternative industrial strategy that increases the capacity of both the public and private sectors to absorb more university graduates and young people would help regulate the productive sectors. At the same time, countries must be given the means to translate development objectives and priorities into viable projects that can be implemented by small, medium and large-scale enterprises. Therefore, new national industrial strategies need to take into account the links between manufacturing and agro-processing on the one hand, and transport and communications, trade, agriculture, science and technology manpower and training, natural resources and energy on the other. Failure to recognise this link will perpetuate the disorderly development patterns that have existed up until now in most African countries.

Furthermore, sovereign States must devise regional and national development strategies to eliminate the present imbalances in economic growth and in the distribution of wealth between the rich and the poor. This is a formidable challenge. Furthermore, ecosystems need to be reordered so that each nation may achieve a reasonable degree of self-reliance and eradicate abject poverty, hunger, disease and malnutrition for millions of people. For such a system to be effective, donors must consider the larger issue created by the technology divide, where the rich countries get richer while the poor countries become poorer. Africa must also discontinue the social-economic framework in which economic, and therefore, political power rests in the hands of a few, preventing the majority from fully participating in economic development.

It follows therefore that if socio-economic power is to be transferred to the people, donors must agree that policy reforms

should also address the burning development crises as seen in the widespread deprivation of the masses which are also economically disenfranchised. Africans have learned with dismay that mass poverty is the result of governments' inability to implement deep-rooted measures to reallocate development resources towards the creation of job opportunities for the millions of people. Power-sharing then would imply increased domestic consumption and increased savings through the judicious utilisation of a country's meagre foreign-exchange earnings in favour of the poor. The apparent duplicity, coupled with the frailty in development policy, is exposed by the fact that the control over resources previously held by colonial governments now lies in the hands of a few power barons that use economic power to continue their dominance over political and social structures.

The dichotomies in the policies referred to in this chapter can be seen in donors' continued support of management policies reminiscent of the old order. We therefore conclude that donors must now accept that a new beginning is essential and a new economic philosophy is in order, to fully recognise that countries cannot combat poverty, hunger, disease and malnutrition by continuing old policies and institutions, and that ideologies borrowed from the former rulers will not pull the people out of economic crises. In fact, ideologies cannot be effective if they fail to give adequate guidance to Africa's sovereign leadership on how to develop quickly and for whom to develop. If a new policy is not adopted, development aid will continue being enjoyed only by the few elite through artificially propped-up political systems backed by donors. Furthermore, the on-going development crises cannot be resolved using conventional economic theory and analytical tools devised by economists from other lands. Similarly, poverty in Africa will not be eradicated through a piecemeal policy approach, or by tackling the development problem in isolation. A new global mind-set is needed, one in which the African sovereign state is fully recognised and respected by the global community.

12

THE AFRICAN FOOD BASKET

"Agricultural-led development is fundamental to cutting hunger, reducing poverty, generating economic growth, reducing the burden of food imports and opening the way to an expansion of exports. This all points to a strategy based on complementary measures including (a) actions to stimulate sustainable increases in domestic agricultural output with a view to raising incomes and satisfying local, regional and international markets and (b) immediate actions to increase food access by the undernourished. Putting in place mechanisms to broaden food access has the advantage of expanding domestic food markets, through translating needs into demand and thereby creating opportunities for local production growth."

(Food and Agriculture Organisation of the United Nations)

ENOUGH FOOD FOR ALL

One of the tenets of the African dream is to produce enough food for all. Thus, at its summit in 2010, the African Union decided that within five years from that time Africa should produce enough food to feed its entire people and that no child in Africa should die of hunger or starvation. Therefore, in planning for the higher rates of growth and development discussed in the preceding chapters, the core of the African dream is for Africa to grow enough food for all. Over the past ten years or so, many African countries have experienced severe food shortages, hunger, and malnutrition. This has been due to a number of reasons, but research indicates that climate change and the lack of agricultural inputs, such as fertiliser, have been the major cause of food insecurity. Everyone

agrees that the African dream would be realised if the African people were able to produce enough food to feed themselves. Africa can produce and export agricultural food crops such as maize, rice, yams, cassava, beans, groundnuts, macadamia nuts, cashew nuts, pineapples, citrus fruits and fish. These crops, together with the ones listed below, could diversify Africa's agricultural export earnings and considerably increase financial resources for sustainable economic growth.

The attainment of food security at the village, district and national levels is the cornerstone of African development. People are generally more productive at work if they have enough food to eat. The policy framework for food self-sufficiency must be the increased production of maize, yams, sweet potatoes, cassava (tapioca), wheat, rice and the other food grains and tubers that make up the staple diet of most Africans.

As stated previously, throughout the history of human relations, democracy, human rights, civil liberties and the rule of law thrive in an environment where there is visible and sustainable macroeconomic growth, shared fairly by all, and where poverty is addressed effectively. We will show later on that without growth there is no development, and without development poverty cannot be alleviated. We have also demonstrated that the pursuit of macroeconomic stability as a tool for governance in impoverished Sub-Saharan African countries is not the best way forward. What countries need is a holistic formula that will enable them to generate rapid macroeconomic growth while maintaining a stable political and economic environment.

The on-going economic crises must be addressed and firm foundations must be laid for increased production of food. This requires redesigning the macroeconomic growth strategy so that it reorients investment and production structures to meet new challenges. In other words, the stabilisation policies that have been implemented so far need to be seriously reviewed if African economies are to gain any momentum for growth. Observers

have puzzled for some time over the rationale behind choosing a stabilisation policy as economies slide down faster than the reforms can take root. In fact, analysis clearly indicates that the past development policy framework for Africa has serious flaws and limitations.

To rectify these flaws, let us first point out that conceptual errors were made in the assumptions for growth and in the policies designed to achieve such growth. Under the SAPs, SAFs and other structural loan facilities, African countries lost control over their economic growth policy. Indeed, if this had not been the case, analysts argue, the economies would have been growing rather than sliding backwards. This argument strengthens the case for overall macroeconomic growth as a policy objective. A general consensus has now emerged in Washington and in African capitals that rapid economic growth is vital in order for countries to pull themselves out of the economic quagmire.

There is agreement that, in order to resume growth and fight poverty, Africa needs a new macroeconomic growth strategy that recognizes the need for increasing agricultural processing and industrial production as the basis for future sustainability of growth and development. This is not a new proposal in itself, but has been recommended before. What would be new is implementing the policy deliberately and consciously. Another new element would be providing investments and resource allocation to agriculture commensurate with policy recommendations. Although agriculture is recognised as the mainstay of many African economies, investments and resource allocation in the past did not match policy declarations. Hence, Africa did not gear its development towards increasing productivity in the agricultural sector as the basis for poverty reduction, especially in rural areas.

The new strategy would also attempt to answer the questions that Africans have been asking for a long time: How can Africa get out of the current food security crisis? Are there any other options which would allow African economies to attain a faster rate of

economic growth to alleviate poverty? Most economists believe the answer to the last question is yes. One way to look at this issue is to borrow from Rostow, who breaks down the process of economic growth into stages. He categorizes the growth process into five stages: the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high mass consumption. The challenge is for Africa to find ways to harmonise the process from traditional to modernised economies in order to achieve rapid growth.

This is what led Rostow to argue that economic policy, production and consumption patterns, income generation and external trade must work in unison to produce the necessary conditions for growth. It is important to note that neither Rostow nor other great economists, such as John Maynard Keynes, John Stuart Mill, Ragnar Nurkse and Nicholas Kaldor, actually advocated pursuing macroeconomic stability as a policy option. In fact, the G8 countries never adopted stability as a key element for growth in their own economies. On the contrary, they all advocated and pursued macroeconomic growth policies.

Economic history has taught us that one of the most critical elements in managing economic growth is to know how to combine the factors of production and the agents of change in order to sustain agriculture and food production. General history has also taught us that nations that were able to feed themselves were also able to sustain wars and maintain national integrity. This was true of the pharaohs of Egypt, and more recently the Americans during the Second World War.

In theory, there are several options. The choices are restricted by the availability of resources, the domestic policy framework and the interventions of the donors. Furthermore, because some African countries have significant mineral resources and known oil deposits, they neglected agriculture only to find that they could not sustain the growth process by depending only on minerals. Therefore for countries not endowed with minerals, the new agro-

led strategy includes strengthening existing production structures and creating new ones in order to generate new wealth. For this to happen, Africa must enter into a new agreement with the donor community and international organisations so that over the next ten years it places the highest priority on agrarian reforms aimed at resuscitating the agricultural sector to lead the economy. In this regard, the challenge facing such countries is to enhance the flow of investment into the agricultural sector so as to stimulate higher growth and productivity.

This will lead to a decrease in exports of primary commodities by transforming the agricultural commodities into finished goods. It is important for African countries to realise that each time a country exports one ton of tobacco leaves, tea, cotton, coffee, paprika, groundnuts or minerals, Africa is in effect exporting employment and income-generating opportunities abroad. Consequently, Africa gains very little from agriculture, minerals and forests, explaining in part why the African people continue to be poor while the industrialised countries become richer. There is therefore a need to increase research, extension services, storage, mechanisation and marketing of agricultural products in order to enhance their contribution to export earnings.

SUSTAINING FOOD PRODUCTION

In order to make agriculture and food security sustainable, necessary links between this and other sectors in the economy need to be established. To begin, the exploitation of agro-processing and manufacturing opportunities requires a sound industrial development strategy. This recognizes that in order to ease the financial constraints facing governments, countries need to generate new income and export earnings through rapid industrialisation. A broad range of industrial opportunities can be identified, but the resource base suggests that the best chance for most countries to industrialise more quickly lies in agro-processing

and agro-manufacturing where raw materials are abundant and produced locally.

At Africa's level of development, it would be futile to try introducing highly sophisticated industrial goods that require high technology if significant value addition in the agricultural sector can be achieved by adapting technology to local conditions. The lack of an industrialisation policy in some countries has become a huge impediment to attaining growth. The African governments, however, recognise the critical role that industry and manufacturing can play in enhancing economic growth. The World Bank also agrees that rapid industrialisation can be stimulated by the interaction of the following elements: 'expanding markets by increasing agricultural incomes (and thus demand) and opening up inter-regional and overseas export markets; creating an enabling environment for industrial investment by providing reliable physical infrastructure and business services; improving financial intermediation; encouraging self-employment and small-scale businesses, as well as bigger firms; and facilitating competition by cutting red tape and rationalising protection (among as well as within countries).'

The above proposals are appropriate for most African countries, and industrialisation requires re-examining the classical view that development of an industry takes place only if the economic and social benefits outweigh the costs. Thus, for Africa, the choice of an agro-processing industry requires that a balance be struck between pure profit considerations and the need for government to generate growth. Of course, private decisions to invest involve choosing investment alternatives dictated largely by the opportunity cost of capital. For that reason, in the liberalised economies of Africa, investment decisions are based on the trade-off between the perceived risk and the expected return on foreign direct investments. This largely explains why African governments have failed to redirect investment to selected industries that increase social welfare.

Therefore, we can make a case for government intervention in the selection and location of new food industries, especially in areas considered not attractive to the private sector. Governments have tried to achieve this by establishing tax-free zones and granting certain incentives, such as tax holidays, profit and capital repatriation, limited protection of certain industries, marketing and trading facilities and guaranteeing the safety of investors and their capital. In this regard, governments are not directly involved in the operation of any industries, but create an enabling environment for them. It is also important to analyse why the experiment of free processing zones has not successfully worked in some African countries.

The case for government intervention in the agriculture and food industry is not new. In fact, since the Second World War, governments in Europe, the United States, Japan, Korea and other South East Asian nations, have intervened heavily in industrial development by protecting their industries. They continue to do so even today. The basis of our argument is that, in a non-industrialised continent like Africa, it is inconceivable that any industrialisation take place without some form of protection. Therefore, it is appropriate for governments to intervene, especially in vital areas of economic activity, such as the 'key' industries, to ensure the economic stability of their countries.

What must also be emphasised is that if African governments decide to develop agro-processing and manufacturing industries, then the full support of bilateral and multilateral donors will be crucial. It is important that development partners fully subscribe to the new industrial drive. A consensus must exist among governments, the donors and the private sector that Africa's only way out of poverty is to industrialize, primarily through value-adding agricultural and mineral processing and manufacturing industries.

African countries must accept that to make definite choices about future growth would be the major difficulty they will face over

the next two decades. This must be done against the backdrop of surrogate economic advice that does not help to alleviate food shortages or eradicate poverty. The time has now come for African governments to set new priorities based on deliberate choices so that their economies can be freed from the poverty trap.

Let us also underscore that, for most African countries, elevating the importance of agricultural development offers the best option for survival in the global village. This has been recognised by the Food and Agricultural Organisation (FAO) in its contributions to the New Partnership for Africa's Development (NEPAD). For many decades, the FAO has focused on the need to significantly increase investments in agriculture and market access as a way to sustain economic growth in African countries. This policy stance has had the support of the IMF Executive Board of Directors, who urged African countries to develop a coherent agricultural policy that would make agriculture the engine for medium-term growth and a means of directly addressing poverty in rural areas. At the national level, many policy-makers have recognised that agriculture will continue to be at the heart of Africa's economic growth.

This reinforces our argument for an agriculture-led macroeconomic growth strategy, one that fully recognizes factor endowments. It is encouraging that African governments have placed a high priority on increasing agricultural food production with special emphasis on the productivity of smallholder farmers in peri-urban and rural areas. Africa has reached the stage where new agrarian reforms need to be initiated to release the potential of the masses now trapped in unproductive subsistence farming. It is thus important that support structures and inputs, such as machinery and tools, technical and extension services, research, training, trade and marketing in agriculture, be supplied as essential components of any agrarian reform in Africa. Africans now agree that over the next decade the top priority should be to grow sufficient food to feed everyone and that no one should ever again die from hunger in these countries. To achieve this, African governments

must consider implementing this model for generating growth alongside the structural adjustment programmes, and in particular the poverty-reduction strategies that have already been adopted by many countries. This imperative arises out of the formidable challenge Africa faces in convincing donors that, in order to get out of the economic doldrums, it needs a home-grown and sound macroeconomic framework for the effective creation, allocation and utilisation of financial resources.

To illustrate this point, let us briefly consider Malawi's experience in achieving food security. Since 2005 Malawi has been able to produce enough food to feed itself and for export due to the following actions.

First, the government introduced new policy changes giving high priority to agriculture and food production. This was followed by building a national consensus that the people of Malawi must produce enough food to feed themselves. Smallholder farmers were recognised as having the capacity to produce more food. What they needed was empowerment and an enabling environment. The Malawi farmers have fully understood and accepted the application of inputs for their own welfare.

Second, the government introduced targeted agricultural input subsidies, including seed, fertiliser and extension services. This programme focused on the poor, enabling them to produce food beyond subsistence and create a surplus for sale.

Third, the government promoted heavy investment in food and agriculture, including water and irrigation, through the allocation of more than 30% of the national budget. The government also encouraged the private sector and commercial farmers to grow more food through remunerative incentives.

As an integral component of improving exports performance, some African countries might consider giving their highest priority to food production, which will in turn

affect the levels of food exports and imports. In light of past experiences, governments should consider giving the following measures their highest priority. First, Africa should increase domestic resource allocations towards food production and significantly reduce post-harvest loss that now stands at about 40% annually. This would ensure food self-sufficiency and food security. In addition, donors should agree to assist Africa in developing sufficient strategic food reserves to last for at least two years. This should provide adequate time to re-design agricultural strategies in such a way that each country is able to feed itself for four years even in a prolonged drought situation. Decisions regarding how much maize and other food grains Africa should keep in stock at any given time are a sovereign right that only Africans should make. Therefore, no outside agency should dictate what Africa should grow and eat. This is critical not only to ensure enough food at affordable prices, but also to stabilise food prices, thereby bringing down inflation.

Second, in order to strengthen food security at the national and household levels, it is important that at least two new food silos be constructed at strategic locations in each African country over the next two years. These silos should be stocked with maize and other food grains that would last at least two years. In addition, along with extension services, national capacities should be created for the efficient transportation of maize and other food grains to markets both in urban and rural areas.

Third, based on the experiences of countries like Malawi and other countries, donors should adopt a more flexible stand and allow Africa to introduce appropriate agricultural subsidies so that critical agriculture inputs – such as seeds, fertilisers, insecticides, tractors and other tools – are made affordable to smallholder farmers at the village level. In fact, experience in some African countries shows that no significant agricultural breakthrough will take place in Africa without subsidising the poor farmers through cheap fertiliser and seeds. The primary objective of such subsidies would be to ensure sustainable agricultural output and ensure that

farmers do not move from this sector to other commercial areas. Similarly, the price of maize and other food products should not be allowed to increase above levels that ordinary people can afford.

Fourth, in order to increase the viability of food production in rural areas, national capacities should be developed to make smallholder farming more profitable. Effective capacities for the trade and marketing of agricultural produce should also be developed to ensure that agricultural produce, especially from small commercial farmers, reaches the markets.

The main goals of these new priorities are quite obvious, but it may be helpful to list them. The first is to make food available to all people at affordable prices. This will improve the nutrition and health of the people, thereby enhancing their productivity in all areas of human activity. The second is to increase investments in food and agricultural processing. This will also increase employment in this sector, and therefore reduce poverty through the redistribution of incomes. The third is to achieve a significant reduction in food imports, thereby releasing funds to be re-allocated for further economic development. The fourth is to increase the availability of food. This will favourably impact the consumer price index, and thus reduce inflation.

THE LESSONS

We now draw conclusion that a consensus has been reached among African and Washington economists – that in order to ensure sustainable growth, African countries must produce enough food for all people at affordable prices. This is a healthy policy paradigm and it recognizes that, without adequate food, development cannot take place. Therefore, as a long-term policy to guarantee food security, it is imperative that in the next five years new silos be constructed in every district or province in African countries so that food is properly stored to guarantee

self-sufficiency at the district level and ensure easy distribution. As a long-term objective, plans should be put in place to construct more silos in selected districts so that food can be moved to other districts in times of need.

Another important lesson from this chapter is that the most effective way of diversifying the African economy is through the agro-processing and manufacturing industries. It is essential to attain full complementarities between the agricultural and industrial sectors. In order to do so, a full inventory of the agro-industries that form the diversification basket and specific projects prepared in those areas must take place. It is also important that physical infrastructures, technological and managerial requirements and environmental protections be evaluated. Another critical element of the diversification programme should be to conduct extensive market research to find out how to exploit existing and new markets for food and agricultural products. There should also be effective engineering designs, quality control and packaging to ensure product acceptability by consumers. Similarly, the workforce should be trained and motivated to take on the new challenges in implementing the agro-allied projects. Furthermore, trade information on food and agriculture is essential to make existing and potential consumers aware of the range of goods produced in Africa. We need to recognise that measures for enhancing export performance are governed by the laws of supply and demand and that no investor will spend a cent in producing food if there is no market in which to sell it. Therefore, one of the essential pre-conditions for resuming growth is Africa's ability to enhance agricultural export performance and generate foreign exchange. This can be made possible by diversifying the manufacturing base and competitively accessing wider and more diversified regional and global markets.

The new growth strategy is based on recognising that the more diversified a market is, the greater this offers alternative choices to investors in selecting the type of agricultural, industrial

or manufacturing venture most suited to their investment programmes. History indicates that Europe was able to industrialise rapidly because the British, French and other colonial powers had unimpeded access to the wider and diversified colonial markets in Africa, Asia, the Middle East and Australia. Similarly, the United States had access to Canada, Central and South America as well as allied countries in South East Asia, like the Philippines. This was also true for the Japanese, who had access to South East Asia and the Americas.

It has now been generally accepted both in Africa and G8 capitals that one of the ways of strengthening Africa's external trade sector, and of lessening its extreme dependence on one commodity for the major portion of agricultural export earnings, is to diversify the export sector by increasing investment in agricultural production, and develop a food security basket of commodities. Based on the Malawi experience, it is proposed that government should initially increase budgetary allocation to the agricultural sector, followed by increased donor funding and investment. Depending on the country concerned, in addition to food production, resources could go to increase the production of cotton, tobacco, tea, sugar, coffee and paprika. Countries should go all out to find investments to develop and process these crops for export as well as for domestic consumption. Combined, these constitute the best assets Africa has for trade expansion.

This proposal supposes that the issue of whether Africa should diversify its foreign exchange earnings base or not is no longer a bone of contention. Rather, the question has become how quickly should this be done. Many African countries are blessed in that they can easily grow all these cash crops in most areas with minimum investment. They also possess the capacity to acquire the necessary technology. What needs to be done now is to find ways of diverting more funds into the agricultural sector to develop this basket of commodities. Each of the six commodities in the proposed basket is discussed in some detail below.

Let us conclude this section by stating that achieving food security in Africa and elsewhere is a global responsibility. In order to stop the ever-worsening poverty, African governments and development partners need to agree that the current crisis in Africa is an accumulation of many factors.

First, until this time most governments appeared oblivious to the crisis in food production that had crept up on them over a long period, especially as it related to ensuring adequate budgetary allocations and investment in agriculture and food production. Two basic factors call for special mentioning. One is that, at the time of independence, many African governments chose to invest in non-productive sectors over agriculture. Even where agriculture was selected, low budgetary provisions were made and production focused on cash crops. As a result, food production was given low priority. This was aggravated by the 'total market' concept, according to which transnational agribusiness corporations controlled all production operations from farm to consumer. Aid donors and multilateral lending institutions also generally favoured the production of cash crops such as tea, cotton, coffee, cocoa and sugar rather than staple food crops that feed the majority.

Second, climate change manifested in severe droughts, and floods aggravated an already serious deficiency in agricultural food production. And yet very little was done to mitigate the adverse effects of climate change. The annual growth rate in agriculture in Africa actually decreased in the 1990s, but from the year 2000 on the situation deteriorated with growth rates in agriculture dropping on average to less than 0.1% for many countries.

In order to deal with this situation, efforts were made by the FAO and WFP to provide more support to Sub-Saharan Africa in this sector. For example, a substantial portion of the FAO's regular programme budget for specific expenditures was allocated to Africa in a wide range of activities, including assessment and planning; management and development of natural resources; improvement of farming systems; crop protection and improvement; development

of agro-based and food industries; agricultural engineering; animal production and health; and research and technology, etc.

Linked with increased food production is the need to provide adequate food storage capacity. Many African countries produce considerable amounts of food, which include cereals, roots, tubers, beans and lentils, especially at the subsistence level. However, much is lost during the pre-harvest and post-harvest stages, largely due to poor storage facilities in villages. Apart from poor and inefficient harvesting methods, a major portion of the loss incurred is due to lack of good storage and distribution facilities. The argument is that if half of the food loss now incurred could be stopped, the famine situation in Africa would considerably improve. Therefore, assistance in the form of research and appropriate technologies to develop proper storage and distribution facilities is required, especially at the rural level. Sub-Saharan countries have now learned that this is just as important as a policy option for production and investment. In fact, it can be argued that if half of the food presently lost through these structural deficiencies were saved, the present famine situation in Africa might be different in its breadth and impact.

13

ONE COMMON DESTINY

"We must take bold decisions for intra-African co-operation. We must link our roads; we must connect and associate our airlines and indeed think in terms of merging our international services; we must exchange agricultural and technical information; we must in all fields of human endeavour, attain highly developed relations. If we achieve these ends, then our independence on foreign markets with all their adverse effects can be relieved and our freedom immeasurably strengthened, without any manner becoming isolationist or following narrow nationalistic policies."

(Emperor Haile Selassie I of Ethiopia, Citations, 1968)

LIVING UNDER ONE ROOF

Let us continue the discussion of Africa's dream of economic development and prosperity, by examining the political leaders' decision to establish the African Union as the foundation for realising growth. The African Union emerged from the Organisation of African Unity (OAU) as the outcome of Pan-Africanism that has been advocated for since the beginning of the last century. Pan-Africanism unifies all Africans behind a common purpose, one that recognizes the future of African countries will be determined by whether or not Africans can agree to work together for the common good. Put simply, all Africans agree that united we stand, divided we fall. In that regard, good governance and economic liberalism are essential ingredients in a common African destiny. What is a common African destiny? It can be summed up in the desire to

develop through collective self-reliance and regional integration. Experience has taught us that political integration and economic integration are two sides of the African dream based on common values found among diverse customs and cultures.

The African co-operative framework gives due recognition to the fact that as the liberalisation process takes root, politics and economics must be interfaced to achieve sustainable growth and development. The liberalisation process must also be carried out simultaneously in the political and economic institutions for development. What Africa didn't understand in the past was that in order for countries to attain regional economic integration, some degree of political liberalism and understanding has to occur. In fact, even the European Community's Maastricht Treaty recognised this fact in designing its institutions for political co-operation and development.

In order to share a common African destiny, there must be transformation and change that involves the fusion of colonialism, capitalism and socialism, so as to give birth to a new sensitivity, namely Pan-Africanism and regionalism. The Pan-African dream is as valid today as it was at the beginning of the last century. Originally, it was motivated by the desire to free the continent from the former colonial administrations, which until the 1960s still controlled much of Africa politically and economically. The common economic arrangements introduced by colonialism resulted in a peculiar international division of labour whereby colonial possessions produced agricultural and industrial raw materials for export to Europe in exchange for imported consumption and capital goods, and later even food.

The First World War saw some form of recognizable trend towards a common destiny for Africa. This began an era of hope when stalwarts of African emancipation such as George Padmore, Kudo Kwegyar Aggrey, Kwame Nkrumah, Sékoe Touré, Seretse Khama and others gave birth to the new school of African economic thought that led to Pan-African militarism. Pan-Africanism started

in Diaspora as a political expression of organised opposition to colonialism. It was an attempt by the African leaders of the time to develop a common policy approach to African economic development by introducing a political formula that guaranteed Africa's economic rights.

TOWARDS A COMMON DESTINY

Looking back at African history, evidence shows that the earliest steps to implement the idea of a common African destiny were taken at the Pan-African Congress held in Paris in 1919. This was followed by a second congress held in Manchester, United Kingdom in 1945 and a third in Bandung, Indonesia in 1955. In somewhat vague terms, the participants at these initiatives demanded that the League of Nations, the forerunner of the United Nations, establish permanent mechanisms to oversee the welfare of Africans and people of African descent, with regard to the utilisation and exploitation of land, mineral and natural resources, capital, labour, education and political development. This laid the foundations for regional economic integration in Africa as envisaged today.

The objective of Pan-African militarism was to establish a regional mechanism for forging a united front to wage war to free Africa from colonial domination. Therefore, economic co-operation in Africa began as an off-shoot of Pan-Africanism, started from humble beginnings and later developed into a strong unifying force that eventually defeated imperialism and colonial domination. Now, Pan-Africanism and regionalism are the economic-cum-political tools for achieving Africa's emancipation from the stranglehold of neo-colonialism, corporate capitalism and globalisation.

In the early stages of Pan-Africanism, the socio-political development model of integration took many different forms, depending on political expediency and the level of development

at the time. At one level, some colonial powers attempted to co-ordinate their political policies *vis-à-vis* other colonial powers, hoping to form a political organisation or federation. Hence, the establishment of the French West and Equatorial Africa, the East African High Commission, the Federation of Rhodesia and Nyasaland, the High Commission Territories of Bechuanaland, Basutoland and Swaziland and the South African Customs Union. Economic integration also took the form of co-operation among colonial-dominated development research institutions, especially in agriculture, whose intention was to share results and experiences in socio-economic development research and studies.

Some writers on Africa believe that the most complete expression of Pan-Africanism was when Africans decided to end all forms of subservience to foreign masters and confidently asserted that they could control their own interests and destinies. It is largely upon this theoretical framework that African unity was anchored, with its initial motivation being an attempt to unite Africa to accelerate the process towards political and economic independence from the former colonial powers. This approach was later modified after many African countries attained political independence in the 1960s. Since then, especially after the liberation of Zimbabwe and South Africa, economic integration has become an over-arching issue in the African Union. African governments now see economic co-operation and integration as important ingredients in moulding Africa's destiny. The question now is whether the political reforms now taking place in Africa could be used to enhance regional economic integration in order to fight hunger, poverty, disease, malnutrition and underdevelopment together. At the opposite end of the scale, we might also ask if regionalism could be employed as a tool to fight external control and domination.

Later, the First Conference of Independent African States held in 1958 resolved, ‘to preserve the unity of purpose and action in international affairs which we have forged among

ourselves in this historic Conference; to safeguard our hard-won independence, sovereignty and territorial integrity; and to preserve among ourselves the fundamental unity outlook on foreign policy so that a distinctive African personality will play its part in co-operation with other peace-loving nations to further the cause of peace.' Following this resolution, a series of meetings were held in many parts of Africa as well as outside the continent. Subsequently, in June 1960, the independent African States of the time called for the creation of an organisation whose aim was to attain economic co-operation. It was called the *African Council for Economic Co-operation*. From that time on, a number of attempts at establishing regional political organisations have been made.

The idea of a common destiny became concrete with the establishment of the Organisation for African Unity in May 1963. Its original objectives were: to promote the unity and solidarity of the African States; to co-ordinate and intensify co-operation and efforts to achieve a better life for the peoples of Africa; to defend the sovereignty, territorial integrity and independence of members; to eradicate all forms of colonialism from Africa; and, to promote international co-operation, with due regard to the *Charter of the United Nations and the Universal Declaration of Human Rights*.

In anticipation of the final collapse of colonialism in Africa, the OAU adopted a new Treaty in June 1991, establishing an African Economic Community. The objectives of the OAU Treaty were: to promote economic, social and cultural development and the integration of African economies in order to increase economic self-reliance and promote an internal and self-sustained development; to develop on a continental level a framework for the development, mobilisation and utilisation of Africa's human and material resources in order to achieve self-reliant development; to promote co-operation in all fields of human endeavour in order to raise the standard of living of its people, maintain and enhance economic stability, foster close

and peaceful relations among Member States and contribute to the progress, development and economic integration of the African continent; and, to co-ordinate and harmonise policies among existing and future economic communities in order to foster the gradual establishment of the African Economic Community.

It was in recognition of this that King Mswati III of Swaziland said:

> "It is not easy to forge a unity of purpose from such diverse sources, as are represented by our membership. Distinctly different cultures, political ideologies, traditions and economic systems: these could be mistaken for elements of confusion. It is a measure of our shared commitment to success that they have, instead, formed the very basis for our cohesion. We have learnt to approach conflicts between individual member states, in a spirit of compromise and co-operation. Our philosophy is – All for one, and one for all; and it is one of which we can justly be proud. We are forging ahead to a common destiny – to the fulfilment of our dream of shared economic security, through sustainable growth and development."

Based on the above citation, we can deduce that the critical issue facing Africa was that, in order to implement the AU Treaty, the basic objective of integration needed to be redefined. Integration was not to be regarded as an end unto itself, but as a means to an end. In other words, integration should be the means of attaining sustainable development in Africa through collective effort. Therefore, the main framework for regional integration had to be reviewed, bearing in mind political pluralism and economic reforms.

One way to look at the situation is to recognise that political independence in Africa was granted to individual countries based on the political subdivisions established by the infamous Berlin Conference of 1884. As a result, national sovereignty, rather than regionalism, became paramount in determining economic development philosophies of individual countries. In an economic sense, and as a consequence thereof, African governments have

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Kwame Nkrumah (First President of Ghana, 1952-1966)

Nothing will be of avail, except the united act of a united Africa...we all want a united Africa, united not only our concept of what unity connotes, but united in our common desire to move together in dealing with all the problems that can best be solved only on our continental basis.

increasingly tightened restrictions on the movement of goods, capital, investments, services and persons across national borders, making it more difficult to promote regional development and intra-African trade than was the case during the colonial era. Some of these issues are further examined in the next few sections.

PULLING TOGETHER

There is now a consensus, not only in Africa, but also at the World Bank, in the European Union and in other international forums that regional economic integration is critical to economic management, because it creates larger economic spaces for industrialisation, economic transformation and trade. In this process of pulling together, political consensus is also vital. It is impossible to promote political reforms and multi-party democracy in one country without bearing in mind their consequences on relations with neighbouring states. This issue becomes relevant in the efforts to pull together to achieve collective self-reliance within regionalism. The general consensus among African writers is that regional integration would accelerate economic development, as it offers one of the most plausible options for attaining a faster rate of growth through wider market access. African leaders are convinced that regionalism would, through collective self-reliance, lead to less dependence on external factors for development. It is gratifying to note that virtually every declaration made by any group of African countries, from the early days of Pan-Africanism up to the present, focuses on the establishment and strengthening of sub-regional and regional co-operation groups as a means of enhancing Africa's bargaining position vis-à-vis the rest of the world. However, this noble objective requires support in order for it to be achieved and not remain simply rhetoric. The philosophy of ‘one for all and all for one’, advocated by King Mswati III, is the very essence of the African destiny. It is based on traditionalism, people working together for the common good. This vision must

now be translated into a doctrine of joint action for the development of Africa's natural resources and human capital through the adoption of common policies. This might even be more universally extended to include South-South co-operation within the Non-Aligned Movement, in which case regional aspirations would require some modification. In terms of ideology the economics of African regional economic integration is a fairly new science; however, the harmonisation of Africa's economies is expected to lead to increased productivity through greater access to regional markets. To that end, there is need to agree on an appropriate common industrial development strategy for that would focus on regional planning as a means for maximising the use of resources and attaining a higher degree of efficiency in production. Higher priority should also be increasingly placed on regional, rather than national, industrial development programmes that would promote regional growth. Moreover, although many feel the need to re-examine industrial and technological strategies as well as policies and plans aimed at encouraging the promotion of indigenous enterprises, new concrete steps should be taken towards reaching a consensus before deciding on how to move forward.

We can also argue that the new liberalisation process would require redefining regional economic integration. According to Bela Balassa in *The Theory of Economic Integration* (1961), economic integration implies the elimination of trade restrictions within the framework of a free trade area, customs union or common market. This view is shared by Jan Tinbergen, who defined economic integration as 'the creation of the most desirable structure of international economy, removing artificial hindrances to the optimum operation and introducing deliberately all desirable elements of co-ordination or unification.' (*International Economic Integration*, 1954)

These definitions are quite acceptable and from an African perspective of regional economic integration can include a wide range of choices and alternatives, depending on resource endowments, proximity to a given product, availability of financing

and technology and national commitment. It is, therefore, essential to view the scope of regional integration within broader perspectives that include the issues of sovereignty over wealth and resources, technology diffusion and balancing regional-development objectives with national aspirations.

The choice of regional integration as an alternative approach to development has been the subject of considerable controversy. Some confusion seeps in when self-reliance is regarded as self-sufficiency. Self-sufficiency would, by its nature, be inward-looking because it portrays the notion that a country can produce all it needs and consumes. This would imply that such a country requires no foreign trade or even foreign relations. It is obvious that no such country exists in the real world; all countries face the need to open up their borders to trade with other countries. Self-reliance, on the other hand, envisages a situation where a country, or a group of countries, attempts to develop primarily through domestic resources and local technical and managerial skills and capabilities. Such a country or group of countries would aspire to carry the bulk of the development burden on its own shoulders. External resources would be sought to supplement, but not to be the determinant factor, in initiating development.

In sum, self-reliance as it pertains to the new development philosophy would imply the total and unconditional commitment of a nation to attaining sustainable growth using domestic resources and institutions established according to national requirements and priorities. Looked at in this way, self-reliance means the right of a nation to control its own resources, path, and destiny toward development; however, it does not exclude regional integration. Thus defined, self-reliance can be flexible enough to permit a group of countries with similar development problems and agreed-upon objectives to adopt a common policy which jointly utilises the resources of that particular group of countries towards mutually agreed-upon objectives.

The basic requirement of a self-reliant policy, as Guy Hunter

and Frances Stewart observed in *Strategy for Self-Help in Africa* (1973), is that the nation concerned must determine its own path to development as dictated by the peculiar characteristics of that country, outside the influence or interference of external forces. In that sense, development as a process of transformation of the political, social and economic structures of a nation can be effectively determined by the government and people of that country within an environment established by government policy.

We can, therefore, assert that internally motivated socio-economic development is the challenge Africa must face in realising its dream. It is a call for African nations to work together to combat poverty, ignorance and disease. It is also a call for each nation to take its rightful place among the community of nations in the world, for indeed a nation that cannot meet its obligations to the international community without external support is far from being self-reliant. This was summed up by William R. Tolbert when he said, 'The call to the people for self-reliance does not imply an unwelcome attitude towards foreign assistance, for the nation still needs the contributions which the technical know-how and external capital resources can make to a committed developing society' (*Financial Times*, 1974). Tolbert further argued that the call for self-reliance was a means of supplementing the foreign capital and know-how which all nations attempt to attract. He felt this was an appeal to the psychological inner-being of the people to bear the brunt of the development load on their own as they strive to achieve the goals they themselves have determined.

INSTITUTIONS FOR REGIONAL INTEGRATION

The African experience over the past fifty years shows that regional integration requires the establishment of new capacities for research in science and technology, industrialisation, agricultural processing and trade institutions. The institutional capacity of countries and economic groupings to implement joint programmes

is critical to successful regional integration. To fully understand this, we start by observing that the period between 1960 and 1990 can best be described as one in which serious attempts were made to establish institutions for common trade policies and economic integration. There was also remarkable awareness and political sensitisation of the people about regional economic integration. The new institutions were seen as an effective means of improving the economies of scale and strengthening Africa's bargaining position in international trade negotiations.

African regional institutions, numbering over 250, seek to achieve, in various degrees, the following broad objectives: to assist member states in the definition, formulation and execution of joint programmes for attaining sustainable growth and development through economic co-operation and integration; and, to bring about the people's social and political awareness regarding the new development ideas that emerged out of political independence and have been re-defined over the past three decades. Related goals of these institutions are: to ensure the full participation of people in the decision-making and development processes; to provide technical support and advisory services to member states in jointly adopting and implementing policies and programmes for the social and economic transformation of the African economies; to assist in the joint development of human capital through the training and development of skills in order to increase technical and managerial competence and capacities in the member states, thereby enhancing the process of development; and, to assist member states in developing a common position and in strengthening their bargaining power in international negotiations and forums dealing with development issues and global economic relations.

Preferential Trade Area

The purpose of the new management philosophy that emerged was to design mechanisms to strengthen regional institutions so they fully support trade and integration efforts. Let us now briefly examine some of the regional integration institutions that have been tried in Africa.

The simplest form of economic co-operation is called a Preferential Trade Area (PTA), an agreement by which a group of countries agrees to provide preferential treatment for selected goods from member states by according a gradual reduction of tariffs over a given period until a zero tariff level is reached for those goods. A free trade area goes further, granting zero tariffs on all goods produced in the area subject to agreed upon 'rules of origin'. Essentially, a PTA involves the exchange of existing goods and services among the member states. However, in the case of the Preferential Trade Area for Eastern and Southern African States (PTA), the framework embraced all major economic sectors approximating an economic community. Recently, the North African countries have also decided to establish a Preferential Trade Area.

The PTA for Eastern and Southern African States covered a wide range of economic sectors envisaged by its eleven protocols covering industry, agriculture, transport, communications, trade, money and finance, energy and the environment. In addition, the Treaty provided other special protocols with respect to the then High Commission Territories of Botswana, Lesotho and Swaziland, recognising their special relationship with South African Customs. Similarly, special provisions for the Comoros, Djibouti, Angola and Mozambique have been included. The Treaty provided for a wide range of objectives, taking into account the peculiar geographical locations, and economic and political situations in which some of its members found themselves as well as the need to attain joint development.

The principal objective of the Preferential Trade Area in Eastern and Southern Africa was to promote co-operation and development in all fields of economic activity, particularly in the fields of trade, customs, industry, transport, communications, agriculture, natural resources and monetary affairs, with the aims of raising the standard of living of its peoples, fostering closer relations among its member states, and contributing to the progress and development of the African continent. As can be

appreciated, this objective is much broader than that envisaged for a traditional free trade area. To attain this objective, the Member States agreed, amongst other things, to 'gradually reduce and eventually eliminate, among themselves, customs duties in respect of imports of selected commodities produced within the Preferential Trade Area'. For this purpose, countries established common rules of origin with respect to products which shall be eligible for preferential treatment.

Customs Union

A Customs Union is a more advanced form of economic co-operation and involves an agreement between two or more countries to facilitate trade amongst themselves through the total removal of tariffs and non-tariff barriers levied on imports from members of the Union. A Customs Union also embraces some form of surrender of national sovereignty as this call for the creation of a common external tariff, principally to protect domestic industries and to pool revenues from import and export duties. The first and oldest of such an arrangement in Africa is the Southern African Customs Union (SACU), which was established in 1910. It is now made up of South Africa, Botswana, Lesotho, Swaziland and Namibia. The SACU had two main objectives: first, to achieve the abolition of tariffs and non-tariff obstacles so as to ensure free movement of goods, services and persons among the member states of the Union; and second, to achieve the free convertibility of the South African Rand with the currencies of Botswana, Lesotho and Swaziland. This ensured the smooth functioning of the customs union and also served as a political mechanism to lend international legitimacy to the then policy of apartheid in South Africa.

The second customs union created was the Central African Customs and Economic Union (*Union douanière et économique de l'Afrique centrale* or UDEAC), made up by Cameroon, Central African Republic, Congo, Equatorial Guinea and Gabon. The UDEAC treaty aimed at developing the economic integration of the member states through the gradual establishment of a common

market and common external tariff. Its treaty also provided for the removal or reduction of tariffs and non-tariff barriers to inter-state trade and the harmonisation of customs legislation, fiscal policies, industrial development and planning policies. Another objective of this union was to seek co-operation in transport and communications, tourism, rural development, investment laws and regulations and science and technology.

Common Market

A common market is an all-embracing level of economic integration and involves a deeper degree of integration than a customs union or a free trade area. Good examples are the Common Market for Eastern and Southern Africa (COMESA). The COMESA envisaged the unification and consolidation of the national markets of the then 22 Member States into one single domestic market so as to provide complementarities between production and trade and ensure economies of scale (*PTA Trade and Development Strategy*, 1992). The common market incorporated free movement of goods, labour, services, finances, capital, technology and human capital. It was also to adopt a common external tariff *vis-à-vis* third countries.

In November 1993, the Treaty establishing the Common Market for Eastern and Southern African States (COMESA) was signed. By December 1994, the Treaty had been ratified by the required number of countries, and thus entered into force. COMESA promised to be a departure from existing integration efforts in Eastern and Southern Africa. It placed the highest priority on increasing in all member countries the production of goods and services, high in standard and competitive in price and quality, to be destined primarily for the intra-regional market. The first step was to rehabilitate and upgrade existing production and manufacturing structures. This would be followed by the introduction of a new generation of industries with a focus on food for the people, food security, agro-industries and agro-business to provide a new front for the industrialisation of the region.

One of COMESA's innovations was its determination to provide adequate transport and communications to link national markets into a single domestic market. The upgrading, maintenance and rehabilitation of existing roads and railways received top priority. The main focus for the 1990s and beyond was the development of railways as the basic and principal means of transporting goods and services. COMESA has also strived to create deliberate policies to assist economically depressed regions within the Common Market to industrialise faster in order to produce more competitive goods and services for exports to the common market. This allows such regions the opportunity to reap more benefits from the common market. Member States have placed priority on the development of agro-industries to transform the abundant raw materials into finished or semi-finished products. Small and medium-scale enterprises have also received special attention so they could take advantage of the integrated market.

Member States of COMESA agreed to develop comprehensive information systems covering all economic sectors in order to accomplish the following. First, to bring countries and markets closer together by developing and strengthening the databases for all major economic sectors, such as industry, agriculture, transport and communications, energy, natural resources and the environment, women in development and the private sector. Second, to provide regular updated information on the removal of tariff and non-tariff barriers and establish a Common External Tariff consistent with the Common Market process. Third, to update information on the Rules of Origin so as to encourage intra-African trade and investment. Fourth, to make available regular data on trade facilitation, including better transit and insurance facilities as well as the simplification and harmonisation of trade documentation And fifth, to improve market performance by providing information to the private sector that would enable enterprises to have greater economies of scale in existing, as well as new, industries through among other things improvements in the production and distribution structures. In recent years, COMESA has adopted instruments for a Free Trade Area and a Customs Union in order

to strengthen economic integration among its Member States.

Economic Community

An economic community is a higher level of regional economic integration than the institutions described above. It is an agreement by which the member states agree to create unity in industry, transport, human resources and capacity building, trade and free movement of labour. Therefore, in an economic community, all economic sectors are closely coordinated and integrated to play a prominent role. The architects of an economic community generally strive for an all-embracing institutional framework to promote and enhance social and economic development through close co-operation among member states in social and economic activities, such as transport and communications, energy, agriculture, natural resources, trade, customs industry, monetary and financial matters, resource development, tourism, education, culture, science and technology, as well as ensure the free movements of individuals within the community.

We shall define an economic community as a group of countries that agree to embrace any or all of the following: free movement across national borders of all goods, produced or manufactured within African countries, using purely domestic raw materials; the free exchange of goods, grown, produced or manufactured within African countries, using domestic or imported raw materials, provided that the value content of the imported raw materials used does not exceed an agreed percentage of the ex-factory value of the finished product (restrictions on others using wholly imported raw materials would have the effect of boosting development in third countries); liberalised movements between countries of raw materials, including minerals and agricultural commodities, grown or produced within African countries; free movement of livestock and livestock products, including animal and game trophies, skins and hides, animal bones, among other things; unimpeded movement of capital goods (building materials, machinery, transport equipment, agricultural tools and spare parts) produced within African countries; free movement of handicrafts

and other articles of art produced within African countries; unimpeded movement of invisible transactions, provided they originate in one African country and are destined for another African country; and, the free movement of labour, expertise and technology across national borders within the economic grouping.

Five African Regional Economic Communities have so far been established. These are the Economic Community of West African States (ECOWAS); the *Communauté Economique de l'Afrique de l'Ouest* (CEAO); the Economic Community of Central African States (ECCAS); the *Communauté Economique des Pays des Grands Lacs* (CEPGL); and, the Southern African Development Community (SADC). The East African Community, established in 1967 among Kenya, Uganda and Tanzania, was formally dissolved in 1977, but now has been resurrected. At the African continental level, the treaty establishing the African Economic Community was signed by the OAU Heads of State and Government in June 1991 and entered into force in mid-1994.

The objectives of an economic community include a free trade area, a customs union and a common market. Member countries agree to: initiate and organise trade fairs and coordinate the participation of its members and African businessmen in trade fairs and trade events; collect, analyse and disseminate information on trade, production and technology in Africa and promote the exchange of trade missions within Africa; assist in the training of African economists and technicians, especially business managers and trade personnel; settle such trade disputes that may be brought before it by its members; co-ordinate and harmonise the activities and views of its members with a view to safeguarding their interests within international circles and with respect to third parties; and, to undertake consultancy services and research with respect to its objectives.

There is complete consensus that the destiny of Africa lies in its ability to promote effective regional economic co-operation and integration. An empirical inquiry into Africa's overall development

policy reveals that regionalism as a development option has been influenced by both pragmatism and opportunism. Regionalism is pragmatic because a focus on economic co-operation as a policy instrument for decolonisation has been popular since the early 1960s. An economic community was seen as the best means of reversing the colonial trend of exporting primary commodities and other agricultural raw materials to developed countries. Trade among African countries, mainly ignored or even prohibited by some colonial administrations, had to be revitalised as the basis for sustaining growth. Regionalism is opportunistic, because even where integration is advocated, political expediency may override regionalism and force countries to develop in isolation. Moreover, with the growing need to increase foreign exchange earnings among African countries, intra-African trade has been marginalised in preference for exports of primary commodities.

Although African writers do not agree on a common framework for promoting regionalism in an economic community, a consensus now exists in the African Union that the rationalisation of Regional Economic Communities is at least a step towards attaining African unity. Differences pertain to coverage as well as to statistical presentation. These differences arise partly due to variations in the systems of economic classification used in the various African countries. This is particularly more marked between Francophone and Anglophone African countries, largely because the former adopted the French system of economic analysis while the latter adopted the British system.

It is important at this stage to point out that regional integration in an economic community requires a firm political commitment. For this reason, until the mid-1980s, the development philosophy of most African countries focused on their ability to expand exports of primary commodities to developed countries in order to earn foreign exchange. This was done largely due to the false hope that, within a reasonably short period of time, the African countries would increase their foreign exchange earnings by merely switching from one set of developed countries to

another. This illusion was, however, short-lived. Africa became aware of the industrialised countries' protectionism, which worked against its efforts to improve access conditions for its products in the developed countries' markets. Intra-African trade has, therefore, gradually been recognised as a positive alternative in economic development policy, but still requires the support and firm commitment of the Member States.

The Political Union

Political union of member states is the highest form of economic co-operation among any group of countries. Its ultimate goal is to establish one parliament, one economic community and one continental government. For instance, the Treaty establishing the African Union sets out the following objectives and principles:

- Achieve greater unity and solidarity between the African countries and the peoples of Africa;
- Defend the sovereignty, territorial integrity and independence of its Member States;
- Accelerate the political and socio-economic integration of the continent;
- Promote and defend African common positions on issues of interest to the continent and its peoples;
- Encourage international co-operation, taking due account of the *Charter of the United Nations* and *the Universal Declaration of Human Rights;*
- Promote peace, security, and stability on the continent;
- Promote democratic principles and institutions, popular participation and good governance;

- Promote and protect human and peoples' rights in accordance with the *African Charter on Human and Peoples' Rights* and other relevant human rights instruments;

- Establish the necessary conditions which enable the continent to play its rightful role in the global economy and in international negotiations;

- Promote sustainable development at the economic, social and cultural levels as well as the integration of African economies;

- Promote co-operation in all fields of human activity to raise the living standards of African peoples;

- Coordinate and harmonise policies between existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union;

- Advance the development of the continent by promoting research in all fields, in particular in science and technology;

- Work with relevant international partners in the eradication of preventable diseases and the promotion of good health on the continent.

The implementation of these aims and objectives has become a major problem for Africa because of the inability to devise and agree on common monetary and financial mechanisms to finance trans-border industrialisation and intra-regional trade. The absence of these policies and differences in national development objectives and priorities often lead to difficulties in selecting industrial projects for regional financing as well as in choosing the type of basic engineering and capital goods that would best serve the immediate and future needs of the integrated economies. These problems also exist when it comes to developing raw materials industries to provide inputs for the development of other industries. This situation is exacerbated

because no agreed-upon formula exists for harmonising monetary policy, neither between areas within national economies (such as between rural and urban areas), nor between different countries within an integrated area.

Problems in regional financing also arise from the allocation of resources used to finance intra-African trade. This is essentially because financial decisions are influenced by political decisions. Hence, the effective integration of programmes that develop natural resources, especially those pertaining to minerals and other extractive industries, is extremely complicated and highly political. Countries endowed with mineral resources have not shown any willingness to share or cooperate with those who do not have such resources. This opens up a whole new era in the structure of African economic relations. The main challenge is to persuade all African countries to seriously think in terms of regional planning for development financing so as to enhance the industrialisation process. Other factors, such as licensing, trade liberalisation and protectionism, should also figure prominently in this equation.

It is important to understand that, since the establishment of African Union, little has been achieved towards its consolidation. Apart from political considerations, such as border conflicts and civil wars, there are fundamental economic issues that need to be addressed. The first concerns strengthening the regional economic grouping framework through the establishment of regional industries. Here, notwithstanding the effect of market forces, agreements are required on how different commodities should be priced within the regional market for selected African products. Obviously, relaxing price controls might provide a healthy climate for investment, since producers would tend to gain greater profits and might be encouraged to plough their profits back into industry. In practice, however, this might constitute a serious challenge to national industrial policies since its introduction would almost invariably result in the demise of productive ventures unable to compete, which would in turn distort production cost structures.

Protectionism, a related issue, has long been considered an effective instrument for rapid industrialisation in many African countries. It is also an obstacle to the smooth operations of an economic union. This matter has become increasingly important due to Africa's position with regard to globalisation. The argument goes that many African countries face severe and sometimes unfair competition from industrialised countries and cannot, therefore, industrialise without some form of protection. Curtailing imports also helps to redress the balance of payments crises.

Furthermore, protectionism has been used extensively in developed countries to shut off imports from Africa. However, when African countries have used protectionism in order to promote infant industries, the Bretton Woods Institutions have pounced on them, using their conditionality for financial support as a weapon. Africa has countered, arguing that indiscriminate protection, such as quotas and foreign exchange controls, may result in the misallocation of resources. Yet, the Bretton Woods Institutions continue to strongly advocate the liberalisation of Africa's economy and trade with the rest of the world, while strengthening protectionism in industrialised countries.

Import substitution, at the national and sub-regional levels, is also used as an important trade policy by individual countries. Individually, countries such as Korea, Taiwan, Japan, the Philippines, Brazil and India have attained high rates of growth in the manufacturing sector through the careful execution of import-substitution policies. The essence of such policies is to ensure the competitiveness of local industries through a national or regional spread of local resource-based indigenous manufacturing enterprises and by promoting the development of local skill through the appropriate adaptation of technology.

In countries dependent on primary commodities, import substitution also offers great appeal for agro-processing industries. The value added improves export earnings, and therefore the balance-of-payments position of the country

in question. Examples of successful import substitution can be found in Zimbabwe, Egypt, Nigeria, Kenya, Algeria, Libya, Mauritius, Morocco and South Africa. All allotted considerable resources to the development of import substitution industries in the agricultural and manufacturing sectors, accompanied by adequate infrastructural support. Evidence suggests that these countries have attained a fair degree of product diversification and are thus able to reap increasing benefits from regional trade arrangements.

In a political and economic union the emerging policy measures are based on the fact that, without specific measures to regulate market forces in Africa, disparities in resource allocation between the more and less advanced partner countries will increase. Furthermore, the unwillingness of Africa's development partners to adjust their domestic cost structures clearly distorts income distribution and develops a situation where the industrialised countries become more industrialised while African countries become de-industrialised. From an African perspective, one can argue that because of the natural tendency of industry to be attracted to those areas where technology facilities already exist, new industries locate in such areas so they can take advantage of forward and backward linkages. It is necessary, therefore, to regulate the location of new industries in Africa through specific incentives, such as offshore processing zone establishments. These should provide adequate measures to ensure necessary adjustments in the production and trade patterns of the entire common market area to achieve balance in development.

Some observers also fear that regional integration may reduce chances for promoting local manufacturing in areas where free trade arrangements operate, attracting foreign investments to the detriment of new local establishments. This fear exists because lesser industrialised areas or countries cannot normally offer enough inducements for the establishment of new industries. Consequently, disparities become more pronounced in the levels of industrial development among regions in the same country or

between the least developed and the more advanced partner countries in a regional integration scheme for the supply of requirements of manufactured consumption goods. To that effect, the poorer African countries fail to derive reciprocal advantages in global trade. In that case, deficits in payments between the less and the more advanced partner countries might increase or even become chronic.

We need to stress that, in an ideal integrated market, competition is perfect and industries derive considerable advantages from improvements in production techniques, market research, credit facilities, and transport and communication services. These economies, however, tend to be skewed in their distribution. The main difficulty in the African experience arises from the fact that the kind of competition that prevails is characterised by an increasing number of small production units, each of which operates below capacity, and hence at high cost. There is also a marked absence of complementarities in almost all lines of production, even in ECOWAS, COMESA and SADC; as such, the bulk of production is primarily aimed at satisfying external demand. Because of the lack of co-ordination in production, marketing and distribution, the countries find it difficult to derive maximum advantage from the free trade arrangements envisaged under their Treaties.

Economists argue that the 'trade reducing effects' may also result from distortions in the case of a less industrialised partner country, because it may be unable to increase its exports to the more advanced partners while at the same time increasing imports from them. In the COMESA region for instance, the majority of the modern industries are found in Egypt, Kenya and Zimbabwe while the rest of the countries essentially serve as markets. This was also true of the Federation of Rhodesia and Nyasaland, where industries were centred in Southern Rhodesia (Zimbabwe) whereas Northern Rhodesia (Zambia) and Nyasaland (Malawi) served as markets for Rhodesian goods. This situation has not changed under the ECOWAS regime. The negative effects in this

case are measured by the balance of trade deficits registered by the economically weaker partner countries and are reflected in the nature of transactions in their trade relations.

To sum up this part of the analysis, the effects of regional integration in an economic and political union may not be the same for all participating countries. Depending upon the numerous factors discussed in the preceding paragraphs, some countries may find the payments problem more acute while others may experience a reduction in their revenues. Other countries have taken a rather inward approach by arguing that they would generally find themselves worse off by joining COMESA in terms of industrial development opportunities, especially in the initial period, than if they remained outside the trade co-operative schemes. This strengthens the case for a systematic and comprehensive analysis of the economies, especially in regard to the production and distribution of goods and services. This analysis should be undertaken not only to assess more accurately the gains from such co-operation, but also to ensure that all possibilities for maximising those gains and balancing development levels have been generally explored. More importantly, a regional institution must be prepared to look into the problems affecting all member countries, especially the least developed ones, in order to balance economic development within national economies and within the integrated region.

REGIONAL INDUSTRIALISATION

A critical element of an economic and political union is that in the pursuit of the all-for-one philosophy, political leaders and economists must agree that regional industrialisation is the best way forward in transforming the African economy. The mechanism for selecting the criteria for regional industrialisation is complex when it comes to designing joint industrial financing. This is because effective programmes for financing the development of

national resources, especially of minerals and other extractive industries, is an extremely complicated and a highly political issue. The main problem is persuading nations to think together in terms of regional planning for industrial development in order to enhance the industrialisation process.

A serious issue in this regard is that many countries with low industrial and manufacturing base have become mere 'trading economies' without prospects for industrialisation. But the option of a country going it alone raises greater challenges for development. Therefore, a need exists to decide whether regional industries should be conceived as individual industries established in one country to serve the needs of the region or whether production plants should be planned at different locations to manufacture components or intermediate goods as inputs for a given industry. Experience shows that there is no hard and fast rule on this, and each case should be considered on its own merits. It is arguable, however, that industrialisation is difficult to attain at the early stages of economic development due in part to low income, low absorptive capacity for resources and low effective demand. The overriding concern is that the most economically efficient plant sizes for any regional industry in which the economies of scale play a decisive role might be outside the reach of many African countries.

An area of great interest emerging in any union of member states is the acquisition of science and technology and its adaptation to regional industrial needs. Although there is a growing tendency in the less developed countries to insist on the 'de-packaging' of technology, most transnational corporations operating in Africa still attempt to sell technology in 'packages'. These involve a whole range of production activities, including the servicing of machinery and equipment and management and supervision agreements. Some components of such technology packages are never of use to the countries concerned. In such cases, a regional approach to technology acquisition might provide the economically weaker countries with better leverage

in their negotiations with transnational corporations. A group of countries might also be better placed to conduct research and development and gather information on the alternative sources of technology than would an individual country.

It could also be argued that benefits from industry might be greater when viewed within larger sub-regional groupings, such as the COMESA and ECOWAS, than within narrow national markets. Similarly, smaller groupings, such as SADC or CEAO, might find it advantageous to seek closer ties with other groupings so as to enhance the economies of scale. Such a choice would involve examining the role of the particular industry in the national economies of the countries concerned and its forward and backward linkage. Market access, in terms of the ability to compete, is also a critical factor that must be carefully examined in determining the size of regional economic communication. Similarly, raw material requirements and how these may be assured, the employment effects of the industry, and the nature of the protection required for any regional industry to take off should also feature prominently in the negotiations for the establishment of such an industry for regional purposes.

In terms of logistics, the African experience shows that those industries whose local demand is too small, or which require a substantial export market, have to be treated differently from those for which an external market already exists, if such a scheme is to appeal to all concerned. At the same time, industries requiring specialised components as inputs from other industries, such as motor vehicles and electronics, can be suitably located in several countries, with intermediate or final assembly carried out in one country. In such cases, the distribution of benefits from regional industrialisation would be equitably achieved. It can also be argued that horizontally integrated industries might lend themselves to more flexible location considerations as compared to those requiring a high degree of vertical integration. The most important factor is for each regional industry to be carefully studied and appraised in the early stages of planning and for its final location to be subject to

long and hard bargaining among the participating countries.

The existing literature shows that the most difficult aspect of a regional industrialisation programme is the behaviour of the more economically advanced countries in a regional grouping. They tend to grab at any new industry, and are allowed to do so, largely because they are perceived to be better destinations for foreign direct investment. This type of behaviour tends to discourage the less advanced countries from participating in regional industrialisation programmes. Therefore, before questions of location are considered, an agreement needs to exist regarding what should be considered a 'regional' industry, in terms of financing, incentives and other preferences to be accorded.

The problem becomes more acute in the case of African countries where the level of development remains very low, making it extremely difficult to assess the costs and benefits of regional industrialisation. In an effort to solve this problem, economists have attempted to catalogue the factors which should determine the location of regional industries. These include raw material availability, technology, transport and communications, labour supply and labour mobility, import substitution factors and financing. National governments have a number of options and combinations within these factors to plan their industries by improving production, marketing, storage, and distribution efficiency. However, before determining location, it is imperative to decide which industries should go to which countries.

BALANCING ECONOMIC GROWTH

The issue of regional industries in a political union leads us to the question of balancing economic growth. African observers state that the bulk of investment to Africa goes to South Africa, Libya, Egypt, Nigeria, Algeria and Morocco, whereas the rest of Sub-Saharan Africa remains marginalised. Therefore, the issue of

balancing economic growth is real and its failure to materialise may jeopardise the African Dream of a continental government. Balancing growth is critical to the success of such a joint venture. It is also a complicated issue for the African Union, in that the design for regional investments to balance the growth and development of Member States is at best rudimentary. To advance the argument further, two fundamental assumptions must be made. The first is that free market forces can determine location. The second is that government may intervene in order to achieve certain specific market objectives.

In pursuing the above assumptions, trade expansion among African countries has become one of the central issues in regional development efforts. Co-operation in the expansion of trade is believed essential for ensuring a rapid rate of industrialisation for Africa's developing countries. The need to ease the conditions of access for all African products in already created regional markets has generally been accepted. In that regard, most concur that countries should work out a formula according to which they can grant preferential treatment to one another without being obliged to extend similar preferences to industrialised countries as required under the WTO. Hence, a new area of economics has to be developed in which intra-regional trade is fully recognised in the Doha Round of Multilateral Trade Negotiations.

The case for the WTO to consider is that proposals for the development and expansion of intra-regional trade involve a number of policy measures intended to transform the entire structure of trade relations between countries. These measures are based on the recognition that trade liberalisation, accompanied by bold policies for increased industrial production, would strengthen the foundation for sustainable development in African countries. The general development strategy aims to coordinate activities in specific programmes for trade expansion covering several areas, such as exchange controls, quantitative restrictions, transport development, industrial and agricultural production and

institutional framework. In this regard, the WTO framework needs to be adjusted to accommodate a number of salient features that have to be coordinated in order to establish a common policy approach to intra-regional trade expansion.

The first element of the common African trade policy must target increasing the flow of industrial and agricultural goods produced or manufactured within the Regional Economic Communities that have been created so far. There are several aspects to this policy. First, the countries must adopt concrete measures that will transform production structures from a predominantly primary commodity exporter to an exporter of manufactured goods. This transformation could best be achieved through a system of regional incentives to private investors. The indigenous small and medium-scale enterprises must be empowered to compete in the regional markets. In that sense, liberalisation will call for a greater degree of co-operation in trade than has been envisaged up until now. To that end, a consensus exists that countries must change their consumer preferences and other prejudices to allow for the increased importation of goods and services from other African countries in preference for those imported from overseas.

The second element of the common African trade policy should establish adequate trade facilitation measures, aimed especially at promoting more exchange among the African developing countries. Evidence suggests that, in the past, intra-regional trade was coincidental rather than planned, insofar as external trade received priority. To correct this, an agreed regional framework for trade expansion and development needs to be designed. This must be supported by adequate transport and communication facilities in Africa, as well as a regional financing mechanism to increase investment in manufacturing for export.

The third element of the programme should evolve an effective system for sharing benefits from trade, industrialisation

and development. This should be especially designed to reduce the trade deficits of the poorer nations within the economic groupings. Special attention should be given to reduce balance of payments deficits in those countries persistently experiencing such problems. This, in fact, is the principal challenge in trade co-operation, especially for the African countries which are invariably net importers in a regional framework. One aspect of the distribution of trade benefits is to ensure that the more industrialised partners provide high-quality investment financing to the rest of the countries at relatively lower cost than would have been possible without co-operation in trade. Special consideration should be made for the position of those countries that, due to a lack of natural resources or to the fact they are essentially agricultural, cannot industrialise to the same extent as those that have huge mineral resources. Land-locked and sea-locked countries within regional groupings will also require special treatment, especially in joint customs arrangements. In such cases, a system of 'most-favoured-nation' preferential treatment may have to be designed as one of the aspects of benefits allocation, whereby the more industrialised partners divert their financial investments from overseas to the other partner countries.

The other challenge is to industrialise the 'economically depressed regions' in the integrated union market much faster than is happening now. The foundation for the development and expansion of intra-regional trade should therefore be anchored to the adoption of policies that would widen their markets for manufactured consumption and capital goods. The prospects for trade expansion among groups of developing countries also depend on their ability to increase investment in industrial and agricultural production. It must be understood that this expansion should be regarded as an essential element of the African countries' overall trade policy.

Finally, it needs to be stressed that an important instrument for forging a common trade policy, and therefore destiny, is industrial

protection within regional groupings. This is the subject of heated debates; however, industrialisation is virtually impossible in some African countries without some form of protection for a limited time period. It is absurd to argue that infant industries in Africa can compete with more established ones in other parts of the globe. Such protection might take into account the following: making the entire sub-region grouping a 'domestic' market; developing industries principally or wholly using local raw materials and other inputs produced from locally based industries; encouraging industries that increase the development and expansion of exports, especially agro-industrial products; developing industries aimed at import substitution, especially as a means of improving the balance of payments situation; and, initiating special programmes to upgrade food processing and agro-based industries, capital, intermediate and raw materials goods industries.

It could be argued that within this broad conceptual framework a regional policy for trade liberalisation would be achieved if existing groupings – such as COMESA, SADC, IOC, CEPGL, IGAD, SACU, and ECOWAS, MRU – were consolidated into one grouping with some of these turned into specialised agencies. In other words, one regional trade block would cover West Africa, North Africa and parts of Central Africa. Another one would cover the entire COMESA and SADC regions, plus a few countries in Central Africa. If this were achieved, trade liberalisation would provide greater opportunities for rapid industrialisation, and thus poverty alleviation. A sound policy should be agreed on and special measures granted to protect domestic industries in these areas. For such measures to be acceptable to a region, the regional groupings would need to ensure that all Member States are given the opportunity to develop their industries to a level that allows them to effectively combat mass poverty, unemployment and food shortages.

PUBLIC-PRIVATE PARTNERSHIP

In the quest for a common African destiny, it must be agreed that the private sector will play an important role in creating new democratic principles, good governance and development. In the new African political culture, the issue of industrial development at the regional level must be viewed within the context of efficiency and competitiveness promoted by public-private partnerships. Here, the literature shows that the regionalism process of the past has consisted of attempts to create a regional industrial policy to deal primarily with issues related to market limitations and excess capacity. The new African thinking asserts that in redressing the imbalance in economic and social development between the North and the South, African countries should take appropriate actions to encourage the industrialisation of the region as a whole through private-sector initiatives.

Everyone agrees that new development and governance policies must have private-sector participation in the designing of a regional industrial policy. However, it is imperative that the direction of such policies continue to rest with the African governments. The consensus is that the restructuring of individual industrial productive capacities, the setting up of export-oriented industries, and the increase in industrial production, especially for processing raw materials, must involve a pact between government and private-sector entrepreneurship. Although African countries have fully accepted industrial development as the most effective means of ensuring a faster rate of industrialisation, and hence economic growth, the problem so far has been translating this into implementable regional industrial projects.

The emerging scenario also indicates that encouraging regional industries is better considered from the point of view of regional economic co-operation, which involves the business community. It has long been accepted that the comparative capacity, taxation of products within an integrated set-up and the role of TNCs all constitute essential critical considerations

for regional industrial planning. Other issues involve equity and the assessment of costs and benefits for regional industries. For most African countries, industrial research, product design, standardisation, marketing and distribution, as well as project identification can appropriately be devised on a regional basis involving several countries. Joint financing for industrial development will also be needed and should be accomplished through regional institutions, such as the African Development Bank, the PTA Bank, the ECO Bank, Southern Africa Development Bank or the East African Development Bank. The harmonisation of industrial laws, investment and licensing regulations, and the creation of suitable managerial and technical skills are among some of the major issues that will need to be addressed in planning for regional industrialisation.

We can infer from the literature that the underlying objectives for a regional industrial policy are numerous. Here are just a few: to achieve a significant increase in industrial productivity and competitiveness, especially with regard to small and medium-scale industries; to provide better quality goods at prices that people, especially low-income groups, can afford; and, to create more employment and job opportunities as a means of combating mass poverty through effective distribution of incomes.

It is evident that no single African country can hope to attain a higher rate of economic growth or industrialisation within a reasonable time period without the co-operation of other African countries. Regional economic co-operation and integration is, therefore, the most attractive option in designing Africa's future. An interesting challenge for the African Union measures will be planning joint industries in the absence of adequate harmonisation of national development plans. As indicated earlier, one challenge will be selecting basic industries that can best serve the immediate and future needs of the countries concerned. Another will be developing raw material industries to provide inputs for the development of other industries or for serving other sectors of the economies. Given that countries and regions have different

factor and natural resource endowments, planners will find it extremely difficult to decide on a location for regional industries without running through a gamut of political and other related considerations. Moreover, a regional location theory addressing industrialisation in Africa has not yet been devised to take into account the different political and economic aspirations of each country affected. In a pure free market structure, the comparative cost advantages only accrue for industries in which TNCs play a decisive role.

We note with interest that, since independence, some governments consider it prudent to intervene in choosing the industrial location of certain production units to ensure that particular development goals are achieved. This has now changed due to external pressure to leave this to free market forces. However, the location of industries is governed, in a traditional sense, by comparative cost advantages as advocated by Adam Smith in *Wealth of Nations* (1776). According to this theory, entrepreneurs tend to produce the goods for which they are best suited given certain conditions. However, experience shows that even under the colonial patterns of production in Africa, the location of processing and manufacturing industries was determined by other motives, ones beyond purely economic considerations. The colonial territories produced crude minerals and other raw materials, which were then processed in the metropolitan countries. This production pattern did not follow the principles of comparative advantage; it was to ensure employment in the metropolitan countries. This pattern continues today.

It must be stressed that, before determining the location of industries, the private sector must take into account a number of considerations. These include, among others, factors like a desirable market and plant capacity as well as desirable supply and demand conditions; sales, marketing and merchandising facilities and desirable levels of production; factor inputs, including raw materials, natural resources and the availability of energy; physical conditions, such as climate and the geological characteristics of an

area, and infrastructural facilities (roads, railways, water transport, air transport, and communications); manpower resources, including skilled, semi-skilled and unskilled workers, and technical and managerial competence; financial and fiscal analysis of the industry, including discount cash flows, an internal rate of return, debt-equity ratio, fiscal and tax incentives and exchange control requirements; and, other considerations, such as the role of public policy, socio-economic environment conditions, market orientation, and the availability of land.

It is, however, plausible that political considerations may also play a role in the location of industries, because technological advancements in modern industries have made it possible to locate most of them almost anywhere. African industrial planners, however, continue to face serious limitations, because the science and technology often required is usually controlled by the North. The mind-set must be changed. Even in the case of agriculture, almost any crop can be grown almost anywhere in the world, except perhaps in the Arctic and Antarctic regions. However, some countries are more economical or suitable for certain agricultural activities than others; therefore, when deciding the location of agro-based industries, these factors must be considered.

The private sector generally takes into account cheap labour when deciding on a location for labour-intensive investments, such as tobacco, cotton, tea or coffee – all requiring an adequate supply of workers during the picking or harvesting season. Therefore, labour immobility is a strong factor in deciding on a location for these industries. The cotton textile industry in Lancashire (United Kingdom), Egypt, Sudan, and more recently Mauritius are good examples of how labour factors influenced the location of an industry.

Mobility has to be seen in terms of the willingness of people to re-locate to the site of the new industry and to do certain jobs. For instance, coffee pickers in Kenya once had to be brought to the plantations by truck from places as far away

as fifty kilometres, because local labourers refused to be seen picking coffee. Similarly, many workers in West Germany, the Netherlands, France, Saudi Arabia, United Arab Emirates, Egypt, Libya and other European countries refuse to perform certain menial or domestic jobs in their countries; therefore, cheap labour is imported from North Africa, Asia, the Caribbean, Latin America and South East Asia.

A CRITIQUE OF REGIONAL INTEGRATION

Through the African Union, member states have chosen regional economic co-operation and integration as the best option for development. This choice will determine Africa's destiny. The most controversial debate, however, is over where Africa has come from and where it is going. Therefore, critiques begin by assessing the usefulness of regionalism and whether it inspires confidence in its individual members with regard to its ability to resolve development problems. Some believe that Pan-Africanism and regionalism have resulted in a greater and more positive awareness in Africans about issues that concern them. Others argue that development policies have not been articulated and defined adequately enough to provide a readily discernible framework that would convince governments to surrender part of their sovereignty to a regional entity.

The basic questions are: Do regional groupings meet or respond to the hopes and aspirations of their individual Member States? What are the justifications for continuing most of these institutions? In other words, what are the 'opportunity costs' of these institutions vis-à-vis individual programmes? Should some be dissolved or merged with others?

To fully answer these questions would require a long discussion on the merits and demerits of regional integration. However, a general response might run along the following lines.

In accordance with Pan-Africanism, African development institutions have advised African countries about the types and structures of institutions to be created for enhancing development. Technical assistance and advisory services have also been provided for development policy, including orientations of the major economic sectors. However, it is argued that in the 1960s, when integration was still on the drawing board, African economies were supported by an active export sector. The prices of African primary commodities were lucrative, food was abundant, and the economies were not enmeshed in a debt trap or balance of payments deficits. At that time, income and production grew faster than population growth rates and standards of living were, in general, visibly improving. In fact, Africa was a net exporter of food. Therefore, it was relatively easier to generate confidence in the newly created regional institutions then than it is now when nation-states are focused purely on survival within a global environment.

The apprehension became greater, because Africa's economic situation took a turn for the worse in the 1970s when import bills for oil, manufactured and capital goods and food increased while export earnings steadily declined. Although these developments adversely affected African economies, they continued to support their internal structures as long as their export sector was resilient. At the beginning of the 1980s, the economic situation in Africa dramatically worsened. This was partly due to the cumulative bad policies and management of the economies and partly the result of the collapse in the prices of primary commodities, which had reached record lows. The export-earning capacities of most African countries were eaten away; balance of payments deficits not only became chronic, but were aggravated by a hostile international economic environment; and, import bills caused the diversion of resources away from development. Moreover, mounting external debt-servicing obligations thwarted virtually all efforts towards capital accumulation for economic recovery and self-sustaining growth.

This situation was worsened by subsequent droughts in most

parts of Africa. By 1993, the continent had the largest number of poor, the lowest incomes, and steadily declining standards of living. Africa, as a whole, was the most vulnerable continent in the world, and unable to protect itself against the scourge of drought, desertification, cyclones, floods and even locust invasions. Population growth at the same time had outstripped food production, and many countries could not feed themselves. Faced with these problems, African countries experienced great difficulty in protecting themselves from the unfavourable international economic environment.

What went wrong? Why did economic growth in some countries virtually come to a halt? Several explanations have been offered. The first explanation points to flaws in the conceptualisation of the institutions for development. As Julius Nyerere put it, 'Africa persistently follows or copies institutions of the former colonial powers; development principles are defined on the basis of Western concepts and do not reflect anything African; and the sub-regional institutions operate on an individualistic basis.' However, others point out that imitating or copying others is not bad in itself. For instance, experience has shown that Japan, South Korea, India, Taiwan, Mexico and Brazil entered the industrial development age largely by copying technology from Britain and the United States. The problem with Africa, as some scholars argue, is that Africans have copied bad examples.

The second explanation is that African development institutions have advocated up until now a development policy geared mainly toward the high and middle-income, 10%– 15% of the population living in large cities and urban centres. This group has the best schools, the best transport and telecommunication facilities, the best hospitals and clinics, and the best recreation and entertainment facilities. Development has been measured by how well the needs of this group have been met in national development plans. On the other hand, the rural poor, who comprise 60% to 80% of the population, have the worst of everything. They die first during a famine or epidemic. They suffer most from the effects

of drought and when recurrent budget cuts are made. They have the poorest schools and hospitals, the poorest roads, and they are hardest hit by devaluation and inflation. The marginalisation of rural communities is demonstrated by the fact that very few high level officials visit remote rural areas, even during programming and policy execution, to see at first hand what lack of development really means. In most cases, senior government officials do not really know their own people and cannot say with confidence that they represent their dreams, hopes and aspirations. In short, those who claim to speak for the people do not represent the masses, but rather themselves.

The third explanation is that some observers believe that the rationale for Pan-Africanism has never been in question. What is questionable is the disappointing impact of many sub-regional and regional institutions on the development process. This is explained by the extroverted character of policies which, in many cases, tended to distort perceptions of development. Other observers argue that African institutions are not effective for the simple reason that the development objectives of Africa's institutions are not well defined and are not easily broken up into bankable projects. Therefore, the theory of Pan-Africanism and regionalism needs to be re-defined to take into account the new development needs in African social and economic processes.

The new political and economic culture of regional co-operation now emerging in Africa has forced some people to ask: Am I my brother's keeper? One answer is that in re-ordering the new regional priorities for Africa, the opportunity cost of resource allocation to regional co-operation institutions is based on national development policy, and that regionalism should also be concerned with the acceleration and promotion of national growth and sustainability. This is the biggest challenge in accelerating the economic development of Regional Economic Community *vis-à-vis* the individual Member States. It is, therefore, important to ensure the financial stability of the national economies through regional substitution and improvements in the regional balance of

payments position, thus creating new employment opportunities. This would ensure the validation of regional integration among the Member States. Whatever the regional objectives are, adequate financial and managerial resources need to be channelled into multi-national programmes and appropriate technology must be utilised to ensure greater production efficiency in Member States. In order to achieve these objectives, adequate mechanisms for coordinating planning are needed in order to determine regional policy for the optimal allocation of resources.

It is also true that establishing a sound regional policy, which emphasizes the development of technological capabilities and institutions, including adequate infrastructure, needs to be recognised as a prerequisite for the optimal allocation of regional resources, and hence achievement of the maximum contribution by various sectors to the socio-economic development process. The following issues throw further light on how regional institutions should strike a balance between economically stronger and weaker nations.

The real challenge for a common development agenda is to achieve a balance between nationalism and regionalism – a thorny matter in African economic thought. Economists have long agreed that the pace and structure of social and economic development, including agro-processing in many nations, is determined by the appropriateness and effectiveness of national industrial policies. This must be viewed within the context of serious attempts to coordinate technical and managerial skills with financial resources as well as the application of science and technology to industry. As some writers point out, industrialisation has to be conceived in such a fashion that it becomes an economy-wide phenomenon that would involve agriculture, marketing, manufacturing and distribution. In other words, production should not just be confined to those goods considered ‘industrial’. It should also provide manufactured consumption goods, including food and those satisfying basic needs. Moreover, in considering the macro-dynamic aspects of industrialisation, attention should be paid to

the creation of mechanisms for promoting steady improvements in the application of technology, job skills and managerial efficiency. This should be done to ensure that the industrialisation process allows weaker economies to be self-sustaining and self-reinforcing.

Elements of a national development policy that should be protected under regionalism would include having clearly defined short, medium and long-term strategies that take into account the availability of domestic resources. Such strategies should pay special attention to the link between agriculture and industry and should include deliberate policies to develop adequate infrastructural support; having an assessment of the activities of foreign private enterprises and their impacts on the development process. This should be a matter of priority; and specific measures to ensure that adequate resources are diverted toward industrialisation programmes and that the allocation and utilisation of such industries achieves optimum results in terms of output and impact on the development process. It is also vital that the role of small-scale industrial enterprises, including cottage industries, be recognised and given appropriate support in terms of resource allocations and other incentives. To that end, appropriate national institutional mechanisms need to be created to promote and sustain agricultural and industrial development efforts throughout the economy.

At the sub-regional and regional levels, this strategy is not easy to implement because African countries have a plethora of trade constraints against one another. These take the form of customs and tariffs, non-trade restrictions, preferential restrictions and payment barriers. Therefore, in conceptualising regional programming for development, a regional strategy has been very slow to take root despite its appeal to African governments. The basic issue is ensuring that regional programmes are directly derived from, and linked to, national programmes. An important factor behind this is the urge to promote the raw material exports of developing countries without taking adequate measures to coordinate industrial strategies to ensure adequate transformation

and processing.

We can observe that the core of a regional development policy in Africa rests on the need to change the production structures of a group of countries. This will reduce the large number of high-cost industries with excess capacities that have not significantly contributed to transforming economic structures from primary commodity to modern manufacturing production. To this end, regional planning structures should strive to identify production entities capable of meeting the demands of a group of countries for finished products, employment generation and contributions of the development process. This should be followed by the creation of adequate market structures at the regional level to absorb products from regional industries. This should be done by establishing common markets and preferential trading areas; identifying the energy resources required to sustain regional industries, including the joint exploitation of minerals and other resources, hydroelectric energy, petroleum and other forms of energy for industrial development; and, by creating financial enterprises, including government-owned, or encouraging private business firms to co-operate in the exploitation of certain minerals and extractive industries.

The concept of ‘my brother's keeper’ becomes clear in the treatment of economically depressed areas within regional economic community. In Africa, there are many such areas even within the so-called more advanced countries. They experience special problems in formulating regional development programmes and even more in attracting adequate financing. They need more investment and more development. Thus, in terms of integration, the question is not merely that of balancing industrial development as is sometimes thought to be the case. There is also recognition that these areas need special assistance and incentives to develop their industrial programmes to a level that would enable them to effectively tackle the acute unemployment and income distribution problems usually prevalent in these economies. This has led some economists to argue that it is naive to advocate balancing

industrial development, asserting this is neither feasible nor indeed desirable. They argue that all areas in all countries cannot, and need not, grow at the same pace. In fact, the real issue is ensuring specialisation so that the least developed countries can effectively compete with the more advanced countries in a given economic grouping by improving their chances of industrializing.

A regional development policy favouring depressed areas should begin with the creation of joint industrial research and development institutions to look into the special needs of the least industrialised countries. These institutions would promote the industrialisation levels within these countries as well as identify possibilities for the creation of integrated production and manufacturing industrial units – especially in the agriculture and agro-industries and the engineering and electrical industries which would be located in the least industrialised countries to enable them to industrialise faster. The policy should then establish integrated, rural industrial development programmes and resource-based industries, especially small-scale operations in food processing and agro-industries.

It would also be useful to provide industrial credit to finance small agricultural production units for the small-scale or small-holder farmers. This should be reinforced by establishing special trade preferential arrangements to apply to products from this group of countries, including free trade zones or free industrial zones, to promote rapid industrialisation of areas not attractive enough to private investors.

We need to acknowledge that the distribution of costs and benefits from regional development is a thorny matter when it comes to protecting the interests of economically weaker nations. A survey of African opinion indicates that one of the major problems in the conceptualisation of a regional development policy is having an equitable formula for the assessment and distribution of costs and benefits, especially between the less and more advanced Member States. Conflicts always exist in

the distribution of costs and benefits from regional integration, because the more advanced partners often try to export to the rest of the group without importing from them. It was on this basis that the three East African Community (EAC) members allocated certain industries and headquarters for major EAC corporations in order to balance regional development. In West Africa, it was feared that all ECOWAS benefits would be mostly accrued by Nigeria, while in Eastern and Southern Africa, Egypt, Kenya and Zimbabwe are said to reap more benefits from COMESA than the other countries. Another source of conflict is viewing benefits from a short-term rather than a long-term perspective, and focusing on single projects rather than comprehensive industrial programmes.

It is evident that some authors of regional integration schemes have lost sight of the important fact that the structure of costs and benefits in an integrated market structure involves three distinct and sometimes opposing interests. These are national interests, as seen from an individual country's socio-development perspectives and expectations; the interests of economic groupings, seen as an entire entity; and, the interests of the donor communities, who control resources flowing into the integrated framework and who may seek political control and influence.

The problem of determining gains from regional integration becomes more complicated due to the lack of a clearly defined development strategy for the group of countries as a whole. A further complication to the arrangement is the role of TNCs, insofar as their integration operations do not follow the policies of sub-regional economic groupings, but are governed by corporate investment decisions made at their respective headquarters overseas. It can also be argued that negotiations for regional industrial policy become even more entangled because gains are often thought of in terms of the creation of basic industries (e.g. iron and steel or fertilisers) in each of the participating states. The result is a belief that each state will end up having an equal number of basic industries – a false assumption. Even where the allocation of large-scale industries is equally distributed, differences

in the employment generation of each industry, gestation periods, and the applied technology and capital requirements imply that some states will inevitably be better off than others.

THE LESSONS

We conclude this chapter by stating that Africa's destiny lies in working together, sharing experiences in development and exploiting integrated markets. Africans have the political will, determination and the commitment to decide on the Africa they want. They should agree that the process of economic co-operation and integration, whether at the sub-regional, national or regional level, requires co-ordination of the entire range of economic activities, from product design to the application of technology, production advertising, marketing and distribution. As discussed in previous chapters, it also requires democratic principles and empowering the people. The issue facing Africa in modern times is not whether to cooperate, but rather how effectively such co-operation can be instituted. In developing synergies for a new regional co-operation policy, the co-ordination of agricultural and industrial development programmes should form an important part of planning for industry in the developing countries. Some of the elements necessary to achieve this objective are described in the next few paragraphs.

First, programmes for cost sharing within the African countries need to be re-examined in order to identify new production lines where export-oriented industries can be established to serve the industrialised and developing nations. Additionally, the processing of minerals and agricultural raw materials needs to be increased within the developing countries themselves in order to increase the value added to these products.

Second, new technologies need to be introduced. They should be properly designed and adapted to the raw

materials and economic conditions in the non-industrialised countries, based on an agreed system of exchange of information and research in the field of industrialisation.

Third, dialogue must occur between the Regional Economic Communities and African transnational corporations in order to minimise the adverse effects of the latter on the trade expansion process and regional economic integration among the developing countries. The dialogue should cover the construction of physical infrastructures, such as roads, railways and airlines between Southern Africa and the eastern, northern, central and western parts of Africa. People must be able to move and communicate freely within and between the Regional Economic Communities. The private sector, led by heads of state and governments, must conduct more visits amongst themselves in order to promote greater harmony and co-operation with regard to current industrial structures and the demand for consumption and capital goods. It must also be stated that achieving regional policy objectives depends primarily on the structure and ownership of natural resources, especially minerals. This is where the role played by TNCs and other foreign interests comes into direct conflict with the real development needs of the African nations. This is because, in most developing countries, the major means of production are not really owned and controlled by these countries. Empirical studies show that unless groups of co-operating countries can agree on effective measures to regulate the activities of transnational corporations, especially those in the mining, transport, industrial and agricultural sectors, it will be difficult to integrate the economies of Member States.

A survey of Pan-Africanism shows that ideological conflicts are not confined to the balancing of interests between national and regional programmes. They go deeper to the concept of joint development. Conflicts also arise regarding other facets of regionalism and originate with the interpretation of development policy. Experiences in existing regional and sub-regional economic co-operation institutions clearly demonstrate some misunderstanding about the basic assumptions and tools for

carrying out joint development schemes. Similarly, misconceptions exist which affect the way a country calculates its costs and gains from such integration. These include the role politics plays in integration: how politicians perceive the need for co-operation among nations; the expansion of the production and market structures to provide sufficient goods and services at prices the common person can afford; the perception of the majority of the people about economic co-operation and integration in terms of their own individual and collective welfare; and, the balancing of economic development through the ownership and control of resources flowing into an integration scheme.

Africans generally agree that, in order to respond to neo-colonialism and capitalism, African countries must strengthen the concepts of Pan-Africanism and regionalism. These concepts should form the basis for all efforts towards forging a common identity, a common belonging, and a common destiny. Pan-Africanism and regionalism have served as a common platform for African economic thought. They are based on the age-old saying, 'United we stand, divided we fall'. Africans are now determined to develop a common policy approach to economic development by introducing a political formula that will guarantee their economic rights and liberties as a group of countries within a global setting.

There is also consensus that the time has come for Africa to take full responsibility for its development and prosperity. Africans must develop Africa for future generations. To that end, the regionalism or collective self-reliance framework, though not fully tried out as a solution for Africa's ailing economies, is the cornerstone of African economic thought. There is consensus among African heads of state and governments that, although economic co-operation or integration is not a *panacea* for economic development, it offers one of the most plausible options for attaining a faster rate of growth. It is encouraging that more and more bilateral and multilateral donors concur with these ideas. The ideal collective self-reliance envisages a situation where countries aim to develop primarily from their own common

domestic resources and local technical and managerial skills and capabilities. Therefore, no country would expect donors to carry the bulk of the development burden. In such a situation, the mobilisation of international and domestic resources would be the determinative factor in initiating development.

In advancing this argument, we need to recall that African countries had clearly indicated regional integration as an option when the Heads of State adopted the Lagos Plan of Action and the *Final Act of Lagos* in 1980. The choice of regional economic co-operation and integration as an alternative tool for good governance and managing growth and development has now been accepted as the *modus vivendi* in policy formulation. It also stresses that economic thought will govern African ideas and policies for socio-economic development. What is needed, then, is a clear understanding of what integration implies for individual economies and future joint development projects. The consensus in African economic thinking is that the final goal of Pan-Africanism and regionalism is to eventually create common African institutions, such as a Common Market and Economic Community. This notion has recently been reinforced by the treaty establishing the African Economic Community, adopted by the AU Heads of State and Government. This represents another milestone in forging a common African destiny.

14

THE AFRICAN AGENDA

"There is now a consensus in Africa and elsewhere, that development planning must be resumed; it is a necessary instrument for creating a favourable economic and political climate for attracting huge resource flows into the various countries. In order to support sustained growth, new policy guidelines are needed for the internalisation of the development process. Guidelines must also be created for channelling foreign direct investment and local financing into the productive sectors in order to promote and expand exports and generate employment. Therefore, African governments must have long-term perspective plans at the regional and national levels to guide their economies along the path they should take to resume macroeconomic growth. The bottom line is that African governments must effectively plan how to significantly increase processing of minerals and agricultural raw materials, and manufacturing of goods and services to promote exports in order to earn more foreign exchange. In this case, regional development planning will enable the countries to fully utilise their resource endowments and build on their individual and collective comparative advantages in the regional and global markets."

(Bingu Wa Mutharika 2010)

SETTING THE AFRICAN PRIORITIES

In order to move from poverty to prosperity, there is need for an African agenda that takes account of where the Africans came from, where they are now and where they are going. It is true that African countries do not constitute a homogenous economic entity. It is equally true that in planning for development, there is no 'one size fits all' policy. Therefore, in this chapter the discussion on planning Africa's development will be confined

to broad strategies that might be applied in accordance with the local economic conditions in each country. It is important, however, to point out that the need for Africa to have a willed future has occupied the minds of philosophers, statesmen and other public figures since political independence. This is due to the enormous challenges Africa faces in mobilising development financing at the national and continental levels. The Lagos Plan of Action, the New Partnership for African Development (NEPAD) and the African Peer Review Mechanism (APRM) were some of the major attempts to solicit funding from donors. All have failed. Globalisation has further compounded the problems of how to coordinate financing economic growth and poverty alleviation in Africa. Opinion is sharply divided among financial power brokers on what positive changes have taken place in international relations toward global power balance. Africans, on the other hand, argue that globalisation has changed nothing, its benefits concentrated in the G8 countries, leaving the people of Africa on the periphery. These differences underscore the difficulties underlying the efficacy of the United Nations and other global institutions. These, in turn, affect governance in African political systems.

It is equally true that the African people have accepted globalisation, expecting it to support Africa's new priorities leading to a fair share in the management of global financing. Therefore, in designing Africa's future, it is essential to stress that globalisation, as a dynamic concept, should involve changes and alterations in the planning frameworks in order to resolve power struggles between rich and poor nations. The principles of interaction should involve building a shared vision through regular deliberation, consultation, and participation as well as through tolerating opposing views. At the same time, multilateralism implies power-sharing in such a way that the voice of the African people is heard in the United Nations and common ownership of the global political, economic and social processes occurs for all nations. That said, world leaders must be willing and committed to share power with the poor of Africa. Several critical elements need to be stressed as part of the transition to a new global order.

In general, the principles of Africa's global relations must contribute positively to the world development process, one in which Africa has a role to play. For that to happen, all stakeholders should agree to review the United Nations in order to offer all nations a level playing field where global power politics is played and all people are expected to participate. While sharing financial prosperity in global structures is difficult to achieve, it remains important nonetheless as an instrument for world peace.

Africa is on the road to prosperity, democracy and good governance, even if countries have a long way to go before this is fully achieved. Therefore, millions in Africa hope that the United Nations' reforms will result in structures where politics are based on the principle of equality for all nations, where nations are free to engage in the political and economic pursuits of their choice, and where human lives are valued. They also hope that power-sharing will enhance human rights, and that basic freedoms and civil liberties, including freedom of speech, association and political choice, will be fully guaranteed by the governments of the day. They hope that the international community will increase its support to African governments that put the welfare of their people above all; commit to ending endemic poverty, hunger, malnutrition and disease, so these scourges are eradicated within a reasonable period of time; and, ensure that all people will be given the chance to live a better life. This presupposes political leaders who are unselfish, incorruptible, committed and imbued with a sense of social justice and equity.

Another issue regarding the development planning is that the transition from poverty to prosperity in Africa must be recognised as having been arduous, slow and uncertain; however, the lessons of the past have given the nations the strength to face the challenges of the future. Africa would mostly likely have made faster progress if the planning for transitioning to democratic governance had come from Africans themselves. Instead, it was imposed on them from the outside, and consequently has not been accepted by those in power. The short history of democracy

in Africa has shown that the institutions for democracy have yet to be established in order to make the experiment a success. The forms and structures of governance in African countries have not been designed to support and strengthen the capacity for development planning, insofar as people are left out of the political and economic decisions affecting them.

Moreover, governments in some countries still continue to use planning institutions designed by their former colonial masters. Growth and development have therefore been less than anticipated. The experience in African countries has led us to conclude that globalisation is used as a pretext by rich nations to consolidate their power and as such no change in the system of global governance has occurred. This is because the patterns of such governance contain elements of tyranny, authoritarianism and dictatorial tendencies in varying degrees. Some global decisions made also reflect a considerable lack of political tolerance and sensitivity. Many indicate no desire to return power or self-determination to the African people. Therefore, all nations need to work together so that major political and economic decisions are made by the African governments themselves, with the full participation and contribution of their peoples.

At the African level, there is evidence that planning for growth can be enhanced by leadership with a vision, capable of translating the dream for sustained growth and prosperity into reality. Most leaders have developed the capacity to harness domestic resources as a vehicle for building confidence. This is reflected in their commitment to safeguard human rights and civil liberties, and ensure participatory democracy becomes the primary means of power-sharing and good governance. This leads to the conclusion that, although democracy has made slow progress in some African countries, growth and development have been strengthened. We should remember that the main responsibility of leaders in a democratic society is to ensure equity and justice as well as the unity of the nation.

In setting up the African agenda, we reiterate that the centrepiece of development planning is the fight against social and economic injustice at the global and African levels and ensuring that real development takes place equally in all parts of the continent. Furthermore, democracy must ensure that new opportunities for investment, economic development and job creation are available to the citizens in each country. An entire country must move together towards prosperity. All must be assured that their government's economic agenda focuses on increasing employment opportunities, creating jobs and ways of generating income, with a special emphasis placed on women and youth, especially those in rural areas. This is based on the understanding that economic prosperity is for all and can only be brought about by the African people themselves through hard work, discipline and sacrifice.

We have also observed that rapid economic growth cannot be sustained where there is no sense of direction and where growth and development are sought in a haphazard manner. Moreover, the failure of governments to plan rapid economic growth for their people or solve the problems of food shortages, hunger and malnutrition, causes people to lose confidence in those governments. Similarly, there is no consolation in leadership in a country where abject poverty is endemic and deepening, since this constitutes a violation of the people's rights to a decent life as provided in their national constitutions. We need to emphasise that, in promoting democracy, the rights and duties of the state provide for a clear relationship between those governing and those governed. Therefore, governments, irrespective of the style of governance, have the duty to provide the wherewithal of the nation, especially for its poor citizens. In that regard, leadership should avoid all temptation of personal greed, corruption, theft of public funds, dishonesty, power abuse and tyranny. Such self-denial would help create a bond between the governing and the governed. In a true democratic system, policies are made to ensure an adequate system of ‘checks and balances’ to curb these tendencies. However, while the opposition generally provide

'checks' on governments in many African countries, they do not necessarily provide 'balances'.

This leads us to the experiences in decision-making and to stress that, primarily, the African people expect to be regularly consulted and to exercise their right to voice their opinions regarding the system of economic governance and power-sharing. This forms the foundation of new hope for Africa and presupposes electing a government of the people where there is deliberation, dialogue and consensus. Most agree that democracy implies the civil society's participation in the economic decision-making processes. People are also looking for leadership with a clear sense of direction who will solve their day-to-day problems of making a living. In that context, the people of Africa want to know the direction where their countries are going.

It is also obvious that in planning for development, the people want their leadership to balance the interests of all people, tribes and political views in society. Equity and respect for the national sovereignty of both rich and poor nations should become the cornerstone of all institutions for political, economic, social and cultural development. Similarly, the African people generally believe that good leaders must serve the people and not be served, learn to treat all people with justice and equity, regardless of their political beliefs, and inspire confidence, never allowing personal greed to cloud their judgment or betray the people's trust. In other words, in a real plural democracy, co-ownership of the government exists and all people's views are sought before major decisions are made. Therefore, the general public expectations are that leaders must accept that the agenda for development planning is a system of governance that includes the rich and the poor, the mighty and the weak, and one in which government invites all people to share their views, think for themselves, and decide what is in their basic interests.

In designing the African agenda, the role of cooperating partners is of critical importance. Because while donors

regard economic planning as a system for sharing prosperity among people, they do very little to assist African countries in establishing effective institutions that will create wealth, thus ensuring prosperity is shared. Therefore, in order to prevent planning structures from collapsing, those granted the authority to govern must accept that democracy can be strengthened only if a nation visibly grows and develops. Leadership must make sure that economic transformation takes place in an orderly fashion so that the poorest people do not become poorer. If national planning dialogue falls through, it will not be because the concept is flawed. It will simply be because some members of society do not really understand their role in promoting development. In that regard, the principle underlying national planning is that all people, whether rich or poor, want democracy and dialogue to give them hope for better living standards. This is Africa's understanding of development planning and it is within this framework that a senior economist at the World Bank stated that:

> "Within the broad array of types of development plans and of purposes to which they have been put, some notable trends can be discerned. By the time the World Bank made its first loan outside Europe in 1948, it found many developing countries committed to or already engaged in some form of centralised economic planning…. Among the factors contributing to this enthusiasm were the apparent success of the Russian five-year plan, the wartime experience of national planning in Europe and the United States, and the success of post-war European recovery programmes, which relied heavily on national planning efforts orchestrated by governments. The case for planning was further strengthened by the development of computers, along with modelling and programming techniques, which appeared to make it feasible to exercise detailed centralised economic direction."
>
> **(Warren C. Baum and Stokes M. Tolbert, 1985)**

More importantly, all citizens of Africa must be able to freely participate in articulation of the agenda for national planning and be consulted in defining new directions, new structures, new institutions and a new policy framework by which democracy can be strengthened and consolidated. The system of governance should promote the establishment of new institutions and the

adoption of new policies to respond to fears arising from the absence of accountability and transparency. At the same time, leaders must constantly rededicate themselves to stamp out the corruption that has become more pronounced in recent years, robbing ordinary people of the few resources that could have been used for economic development and eliminating poverty.

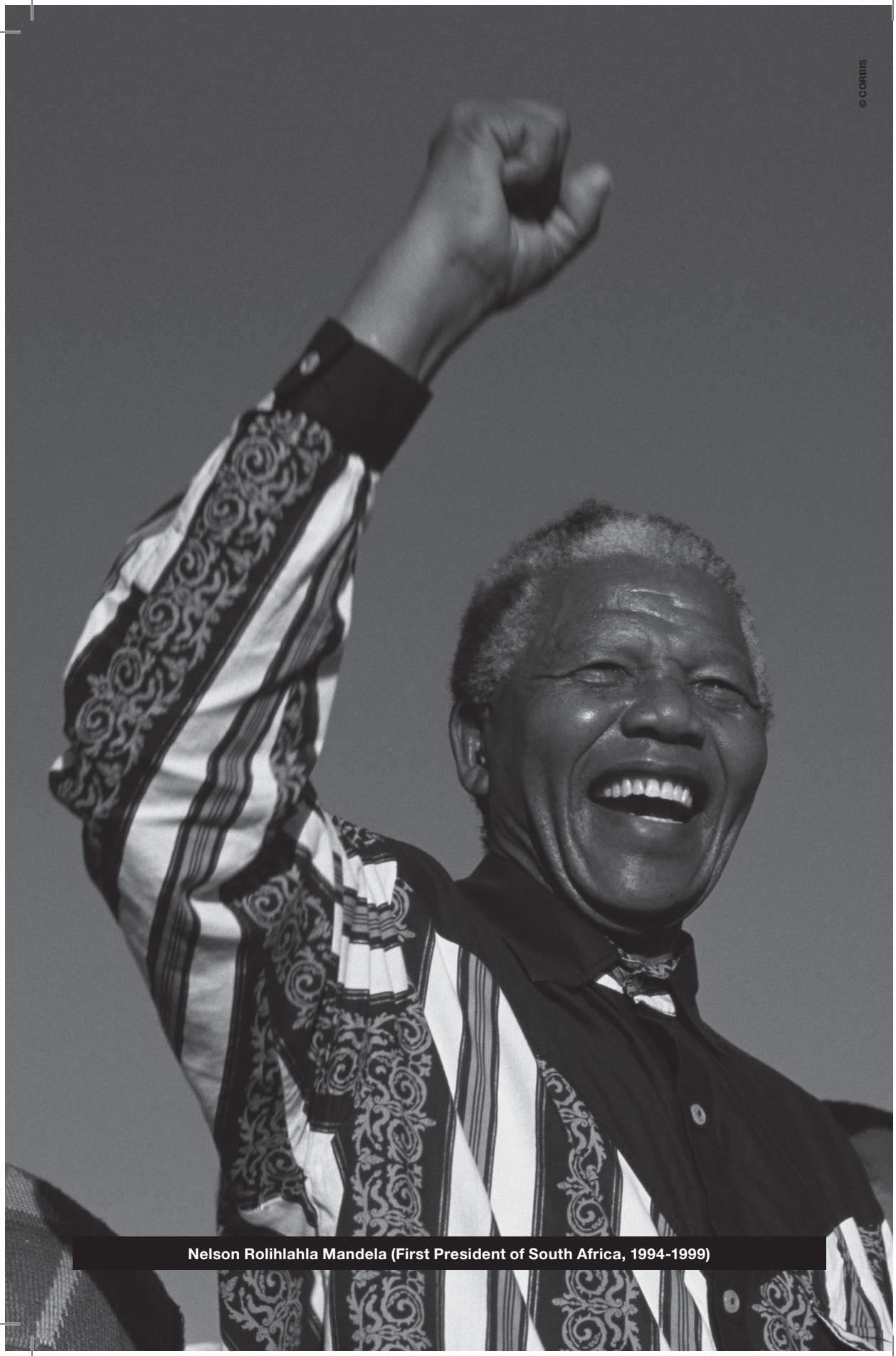
On a related manner, African people need to know if the governments of the North really understand the importance of planning for African development. If so, why are they perceived as intolerant to African demands for determining their own national agendas? For instance, Africans universally understand global democracy to imply that they would receive full support and recognition from global bodies – such as the World Bank, the IMF and the United Nations – in their efforts to achieve economic transformation through home-grown planning. If this were not the case, then Africans would always feel they are at the wrong end of the stick. Therefore, an important element of the new democratic planning structure would be for all the people in the country to work together towards the creation of a dialogue framework, bearing in mind that democracy embodies patience, tolerance and a spirit of 'give and take'. There also needs to be a clear understanding that, in a global framework, decisions must be made through dialogue, consultation and consensus by all stakeholders.

It should also be understood that the principles of collective decision call for the African people to be allowed through appropriate institutions, mechanisms and strategies to play a role in strengthening growth processes. Similarly, economic and social development must be for the people, and the government must truly belong to the people. To that end, the United Nations Charter reflects unity and popular participation by all people as the necessary condition for successful democracy. The people of Africa therefore want unequivocal assurance from the G8 that democracy will be upheld in the United Nations, through appropriate reforms that will allow African governments to work

and contribute positively to the economic, social and political development of the world as a whole.

Conventional wisdom suggests that in order to go anywhere, one must know where one is going. In the same way, the definition of priorities is critical in assisting our countries to have a clear road map for achieving a faster rate of growth and combating poverty effectively. The critical issue is that the continent's main objective is to free itself as quickly as possible from the 'poverty trap' in which many of its citizens find themselves. To that end, the right priorities must clearly be set to attain both national prosperity as well as the Millennium Development Goals under the United Nations. Africa is also positioning its production and investment structures to meet the objectives of the New Partnership for African Development (NEPAD) under the African Union.

In Africa's transition toward development, there are so many things to achieve in order to fight poverty. However, faced with very scarce and limited financial and human resources, it is imperative to establish 'priorities within priorities'. What are these priorities? According to Nelson Mandela (First President of South Africa, 1994-1999), the answer is that an African consensus has now emerged that in order to achieve a faster and sustainable rate of macroeconomic growth, Africa needs to focus inter alia on the following main priorities: agriculture and food security; education, science and technology; irrigation and water development; transport and public infrastructure; education, science and technology; climate change and the environment; new and renewable sources of energy; integrated rural development; information and communications technology; and public health and prevention of HIV/AIDS, tuberculosis and malaria.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Nelson Rolihlahla Mandela (First President of South Africa, 1994-1999)

LOST OPPORTUNITIES

Let us advance this discussion on the African agenda for development by looking at lost opportunities. We can assert that food is a basic human right, the basis for life and growth of the economy. It must be made available to all people at affordable prices. Economic history has taught us that Africa cannot prosper if there is no food security, because year in and year out we continue to spend huge sums of scarce foreign exchange reserves to buy staple foods from outside the continent. In the drive towards a more vibrant export sector, increased food production and food processing are critical in attaining not only food self-sufficiency and food security but also in increasing export revenue. This, in turn, will determine the level of macroeconomic growth that can be achieved. Due to a narrow food production base, many African countries import huge quantities of food annually, diverting resources away from investment and development activities. Countries can attain higher levels of food self-sufficiency by diversifying the staple diets of the people, including items in addition to maize.

The cardinal principle in Africa's economic development policy is to recognise that no nation can sustain its development or be truly sovereign if it depends heavily on other nations for its food. Africa has no choice but to develop its capacity to grow more food, using all means at its disposal, including extensive irrigation to reduce dependency on rain. As an immediate strategy for successive planting seasons, countries must find a means to improve the productivity of small, medium and large-scale commercial farms while at the same time producing agricultural raw materials to support new industries.

The policy option that emerges is that, in order to survive in the global village, African countries must develop the capacity to process food crops such as tea, sugar cane, fish, beans, cassava and other tubers, fruits and vegetables for domestic consumption and for export. African countries must grow more food using modern science and technology, including extensive irrigation to

reduce a country's dependency on rains, in order to increase rural income and to create more jobs. Ways must be found to improve the productivity of small, medium and large-scale commercial farms, which must urgently produce food to reduce deficits. As a long-term objective, Africa must strive to have adequate strategic food reserves at the village, district, regional and national levels.

We have already seen how the lack of a clear sense of direction has placed Africa in a straitjacket, leaving it without a flexible growth policy, a necessity in a dynamic economic paradigm. A new focus is therefore on how to redesign and adapt the new agenda to solve the current structural rigidities in the economies so that growth is attainable and sustainable. We shall also examine how African countries have missed great opportunities in the past to structure their production and trade functions to take advantage of the developments in regional and international trade to export more to the rest of the world.

Let us begin by stating the obvious. Africa has not been able to develop its agriculture, mining and manufacturing industry to take advantage of the expansion in world markets. Due in part to the strong focus on managing consumption and expenditure under the structural adjustment programmes, little attention was given to the production of goods and services for trade. In the economic development literature, trade has always been considered an 'engine for growth', and by definition the most effective way of alleviating poverty. But trade does not take place where there are no goods to sell. Therefore, for trade to be effective in resuscitating economic growth, it must be supported by a strong and vibrant agriculture and manufacturing industry. In other words, a country that can produce a product more competitively for export has a better chance of attaining a faster rate of growth than a country that simply imports. Moreover, each time an African country imports a ton of any commodity that can be manufactured locally, such as agricultural raw materials, jobs are exported to other countries.

For the past four decades or so, Africa has participated in a number of multilateral trade negotiations intended to improve its market access in the countries of the North. However, economic history has taught us that since independence Africa has missed a number of opportunities to situate itself in a position to take advantage of international trade. This was aggravated by economic dogmatists insisting that African countries fully open up their national markets to the superior products from the industrialised countries while they themselves bluntly refused to offer any trade concessions under the Doha Round of Multilateral Trade Negotiations. The end result was that Africa lost its opportunity to produce, and became a trading outpost for the global village. This explains why Africa largely '*produces what it does not consume and consumes what it does not produce*'. Some of the specific global opportunities that have been missed are:

Firstly the *Commonwealth,* formerly the British Commonwealth, is one of the oldest trading arrangements of which former British colonial possessions have been members, even before independence. It offers significant development opportunities through free trade, customs, visas and payments preferences among its members. But African members of the Commonwealth have failed to compete in this arena and now import more from the more developed members than they export to them.

The second lost opportunity is that the *European Union* offered African countries the chance to expand their exports to European countries. Subsequently, this was done through the Yaoundé Conventions, the Lomé Conventions and the Cotonou Agreement. At the same time African products enjoy free access in the European market under the 'everything but arms' (EBA) agreements as part of the ACP Group of countries. Each year Africa has participated in trade negotiations, but has failed to take advantage of these agreements to promote its exports to the EU largely because there are no competitive goods for Africa to sell.

Thirdly, the *French Community* is a grouping between France and the French-speaking African countries and it constitutes a regional trade expansion and development among its Member States through a series of trade and other protocols. Under these arrangements, these countries have the opportunity to export to France. However, statistics show that Francophone Africa imports more from France than it exports to that country.

The fourth lost opportunity for some countries is the *African Growth and Opportunity Act* (AGOA) of the Government of the United States of America, which has offered African countries the chance to export duty-free cotton textile goods manufactured in those countries to the United States for a period of nine years. However, by the end of 2002, plans for investing in the production and export of cotton and other goods to the US barely advanced beyond the drawing board. Some African countries have failed to take advantage of this offer and only a few have moved fast and are now exporting large quantities of cotton textile goods and products to America.

The list of missed opportunities shown in the preceding few paragraphs is by no means exhaustive. Several other opportunities have been available to Africa through bilateral trade agreements that merely resulted in African countries opening up their markets to G8 countries without taking advantage of the new markets for their exports. This strengthens the case for re-designing macroeconomic policy to achieve a level of economic diversification in production, distribution and trade that would enable Africa to withstand external and internal shocks. External shocks include falling prices for petroleum and petroleum products, changes in the value of the US dollar in the international money market, difficulties in funding programmes that might result in the continued withholding of donor funding for development, and low levels of foreign exchange earnings in a given year. Shocks at the national level might arise from civil wars or violent or unconstitutional changes in the political system of governance, or through severe droughts, famine and other natural disasters.

Whatever the nature of the shocks, African countries do not have effective policy or institutional responses to protect their emerging economies.

NEW ECONOMIC REFORMS

One of the topmost agendas for Africa is to develop manufacturing and processing industries to transform raw materials and minerals into wealth. At the same time, countries need to develop and preserve the environment in order to have adequate forests, fisheries, cotton, tea, tobacco, livestock, and other cash crops to support agro-processing and manufacturing industries, especially where there are no known mineral deposits. Two or three countries within the RECs, or between them, might agree to establish common farms or industries in these areas. That way, they could introduce high-tech agricultural machinery to improve the yield and quality of agricultural production.

Experiences in high-performing economies indicate that in order to achieve sustainable growth and development, Africa needs to institute fundamental policy reforms in the public and private sectors. In this regard, economists feel that linkages among industries – especially those engaged in industrial production, manufacturing, mineral and agricultural processing and other value addition industries – through specialisation and complementarities would encourage industrial growth and facilitate the transfer of technology to small and medium-scale industries. Experts also agree that facilitating the development of small and medium-scale industries, including sub-contracting and other relationships between larger and smaller firms, would enhance the competitiveness of small African enterprises. This would happen if industrialisation were accompanied by the establishment of basic capital and intermediate goods industries, for the purposes of obtaining the advantages of the economies of scale in the food and agro-industries. Similarly, a consensus has emerged

that there should be intensive promotion of industrial research and development, the transfer, adaptation and development of technology, training, management and consultancy services by establishing joint industrial support institutions and other infrastructure facilities owned and managed by Africans.

Therefore, according to the selected macroeconomic framework, Africa's path toward growth would be based on achieving a diversified export sector that includes agricultural and food products, minerals processing and new manufacturing industries. Investments in agro-industrial production structures, sources of income, exports and food varieties need to be diversified. Food security, as we have said previously, depends on the ability to develop the agricultural production and food processing industries so as to produce enough food for all. A consensus has now emerged that, for an agriculture-based economy to attain a sustainable rate of growth, a careful balance needs to be struck between investments in food production and in the agricultural processing industries, using available food crops like maize, tobacco, cotton, coffee, sugar, rice, groundnuts, paprika, tea and pulses.

To move forward, Africa needs a bottom-top approach that will achieve two major objectives. The first is to develop raw materials to support the agro-processing industries; the second is to have enough food to feed the people. In that regard, the capacity to exploit natural resources, which constitute important wealth for a nation, will continue to determine trade expansion in Africa. Effectively exploiting these resources so they provide a boost to development efforts has always presented a problem. This is due to changing property rights and the lack of a coherent land, natural resources and environment policy. Competing needs from growing population, farming and agriculture, industrial development, physical infrastructures and wildlife make the issues of land and natural resources very critical to our development. Because of the extreme pressures placed on them, the efficient use of land and protecting the environment have become very serious issues and will provide the key to future prosperity.

The diversification of agriculture will constitute a new dimension in trade expansion. Reforms in Africa's national land policies will provide a framework in which land will play a critical role in the diversification of the export sector. Since agriculture is a land-based economic activity, the formulation of a comprehensive land policy is crucial in achieving the diversification needed. In that regard, the objectives of the land policy should be to 'to ensure tenure security and equitable access to land, to facilitate the attainment of social harmony and broad-based social and economic development through optimum and economically balanced use of land based resources'.

Specifically, African countries should aim to achieve the following: to promote genuine reforms that guarantee security and instil confidence and fairness in all land transactions; to promote decentralisation and transparent land administration; to extend land use planning strategies to all urban and rural areas; to establish a modern land registration system for delivering land services to all; to enhance conservation and community management of local resources; and, to promote research and capacity building in land surveying and land management.

To be effective, the diversification programme should create viable and predictable regional and international markets for the goods produced in the countries. To that end, Africans must enable micro-businesses to grow and expand into small-scale enterprises, small-scale into medium-scale enterprises, and medium-scale into large-scale operations spanning across the country. For this, agricultural and industrial production should be linked with an effective global trade policy that addresses the following structural constraints: (1) weaknesses in food production structures and slow capital accumulation rates; insufficient industrial development, under-development of agriculture, and the lack of complementarities among production, trade and consumption at the national and regional levels, thereby making the economies extroverted in orientation; (2) the persistent decline in real terms of export earnings from principal primary commodity exports, accompanied

by rapid increases in the prices of imported manufactured goods, which has contributed to chronic balance of payments deficits; (3) the structural rigidities reflected in the inability to adjust and diversify economies from primary commodity dependence, which has resulted in internal and external economic disequilibrium; (4) restricted market access in industrialised countries of primary commodity exports, particularly agricultural exports; and (5) the lack of competitiveness and the inability to sustain productivity in industry and manufacturing, including agro-industries, due in part to the absence of economies of scale.

INTEGRATED RURAL DEVELOPMENT

The African agenda is also premised on recognition that the majority of the poorest people in Africa live in rural areas and in slums surrounding cities. They lack the basic necessities of life – food, water, housing, electricity, schools and hospitals. African governments recognise that people in rural areas have been trapped in poverty for a long time. In general, they have been denied their rights to enjoy the fruits of prosperity, because in the past no specific programmes ensured development where they lived.

Looking at Africa's experiences, the choices and options are to achieve growth and poverty reduction targeting the economically deprived members of the civil society. We have learned that one of the most effective means for alleviating poverty is to promote rapid growth to benefit the poor in urban and rural areas. Rural transformation must be an integral and critical element of the growth model if the new macroeconomic growth policy is to succeed. Therefore, one of the most important priorities for Africa is to bring development to all rural communities. Development economists now agree that empowering rural people through income-generating activities is an effective way of fighting poverty. African governments should identify and promote Rural Growth

Centres that provide the same facilities available in cities and towns. Each centre should have a good tarmac road, piped water, electricity, a police station, bank, post office, hospital, secondary school and a community hall. These amenities will spur development and investment while also encouraging people's voluntary relocation from cities to the centres. This relocation will reduce pressure on city social services, such as security, schools, hospitals, water, sanitation and food. In addition to providing these basic social facilities, new rural industries that promote value addition to agricultural products should be established at the Rural Growth Centres. Integrated rural growth centres have become a reality in some countries, such as Malawi, where they have already had considerable impact on the economic and social transformation of rural communities.

We can infer that the new macroeconomic policy should recognise that the rural economy and the informal sector form the backbone of economic activity for the majority of people in Africa, especially those living in rural areas. In that sense, rural development must be strengthened by ensuring that people in these areas have adequate physical and social infrastructures. This will create a springboard for the micro and small-scale businesses so vital to rural communities. The new policy should also aim to provide more people in rural areas access to better information, education, relevant technologies and financing so that they can eventually expand their activities to create bigger operations.

The case for integrated rural development has become strong as African governments deal with the issue of transformation and monetisation of the rural poor to bring them into the mainstream of economic activity. The policy must focus on taking development to rural areas rather than enticing people to migrate to urban centres. In planning for development, integrated rural development is a critical element in poverty reduction. ‘Growth Centres’ have been created in some countries, forming the nuclei for rural transformation. Each growth centre has a tarmac road, piped water, electricity, a bank, a hospital, a post office, secondary

school, a community hall and shopping centre. Special attention has been given to establishing primary care clinics, nurseries and day care facilities for children in order to improve the quality of life in rural area. The growth centres are expected to provide new employment and improved working conditions in the traditional rural areas where most people live. Sanitary conditions and shelters for trade operators and commercial products have also undergone significant improvements.

Another way to achieve poverty reduction is to support operators in the informal sector by empowering hem to create more viable businesses, marketing or trading associations to increase their awareness of their role and contribution towards trade development. In Malawi this was achieved through the introduction of the Malawi Social Action Fund (MASAF), the Malawi Rural Development Fund (MARDEF) and the One Village One Product scheme that enabled small-scale enterprises to manufacture and process agricultural commodities for the markets. Efficiency and productivity was increased in rural communities by providing greater access to financing and other inputs and by paying rural or smallholder farmers prices that promote quality production.

We also need to emphasise that mass poverty can be effectively reduced by helping farmers and traders improve their transportation and storage capabilities so they can lessen pre- and post-harvest food losses, which can be as high as 40% in most of Sub-Saharan Africa. Investing in more durable storage infrastructures on tribal and communal lands can help achieve this. For example, installing small, iron grain silos would help smallholder farmers to preserve sufficient food to feed their families and have some leftover to market.

To the above must be added the establishment of better training facilities so that rural communities can improve their production and managerial capacities by acquiring skills through vocational and on-the-job training schemes. Extension services through sound and demand-driven human resource

development policies should be provided as well. The new macroeconomic policy framework should also recognise that people in rural areas cannot improve their welfare without access to land. Land is very scarce in Africa and efficient land use and reallocation are extremely critical to future development. Subsistence rural economies must be modernised; this should be a pillar of the new development policy. Furthermore, the new land policy should target fair land redistribution in order to improve the economic and social conditions of the landless in Africa.

The new agenda for growth also suggests that African governments should invest heavily in new industries that could be located in rural areas as a way of redistributing growth. This is especially true for the tobacco manufacturing and cotton textile industries; they comprise the very lifeblood of many countries, and are therefore of national interest. Another element of the new paradigm is to agree that there should be a reasonable balance in the allocation of investments between social infrastructures and productive investment in industry and agriculture. Experience has shown that, where rural development has been neglected, the desired levels of capital accumulation, and hence investment among the poor, did not take place.

This is why designing an appropriate policy for financing growth in rural areas becomes important and that hard choices be made between investment alternatives. However, there is a growing consensus among Africans as well as some donors that the time has come for African countries to promote industrialisation on a nation-wide basis with special attention to rural areas. There is also consensus that governments must move from passivity to an active policy stance that places high priority on agro-based industrial development as the way out of the endemic poverty.

MANAGING CLIMATE CHANGE

One of the most critical problems of economic development in Africa today is how to manage climate change and environmental degradation. These bring about a range of developmental challenges, including the lack of potable water due to inadequate rains and severe droughts. In recent years, rain deficits have ranged from between 40% and 80% in some areas in Africa. The failure of rain has brought about untold hardship to many rural communities. Drought contributes in part to the problem; however, the main source can be traced to inadequate water resource development and conservation policies that gave water low priority in the past.

The prolonged drought in some parts of Africa since March 2002 has affected millions of people. Precious farmland as well as cattle and pasture grazing areas have been destroyed and bush fires have become widespread, further scorching the already dry lands. Many believe that thousands of hectares of potentially arable land may have been permanently lost. For example, although many rivers feed Lake Malawi, the lake's levels have dropped drastically, in some cases more than 10 feet below normal. Moreover, Lake Chad which borders Chad, Niger, Cameroon and Nigeria, Lake Chilwa in Malawi, and many other lakes in Africa have progressively lost water and are drying up. Sometimes water levels have been so low that the lakes became subdivided.

The problems caused by drought, desertification and the resulting general widespread shortage of water have been aggravated by the wanton cutting down of trees for fuel and the construction of houses. By 1984 the cumulative effects of past neglect in this area led to nearly 10 million people having been displaced in Sub-Saharan Africa, with no definite prospects for food, shelter or clothing.

In support of agriculture and food security, African countries need to reduce their dependence on rain-fed agriculture by introducing extensive irrigation and water development. Africa has

learned that when rains fails, food production collapses; when food collapses, economic growth also collapses. This however can easily be changed. Africa has many freshwater lakes and large rivers that run year-round. Africa can harness that water to grow any food or cash crop it wishes. Governments should therefore give top priority to irrigation and water development.

We suggest that over the period of several years, African governments allocate substantial amounts of budgetary resources and investment towards the construction of small, medium and large-scale irrigation schemes, including the construction of multipurpose dams throughout the continent. Multipurpose dams would provide water for irrigation and domestic consumption, hydro-electricity and fisheries. The rationale for these schemes is this: if Africa can harvest food and other cash crops at least twice a year, it can beat hunger and become self-sufficient in food production.

TRANSPORT INFRASTRUCTURE AND ENERGY

The relevance of transport and energy in development stems from the fact that five decades of attempts to sustain growth and development in Africa has taught us that the agenda for prosperity must include adequate transport infrastructure and energy. These are essential ingredients for attaining the dream of rapid macroeconomic growth. Historically, transport systems in Africa have always been linked with Europe, serving principally as outlets for raw materials and primary commodity exports as well as inlets for manufactured consumption and capital goods imports. Up until now, there has been little success in promoting the physical integration of transport and communication structures to promote trade within a country or among neighbours. Two factors bear special mentioning. One, since independence, few additions or modifications have been made to the railways Africa inherited from the colonial period. Yet, remarkable progress has since occurred

in the fields of communication and road and air transportation. Two, despite such amazing progress, the infrastructure required to promote domestic and intra-African trade remains inadequate. In fact, the present famine and drought relief programmes in Africa have encountered serious bottlenecks due to congestion at ports and harbours resulting from transport and transit constraints.

The lack of reliable energy sources has also greatly hindered Africa's development efforts. Industries lose huge sums of money when electricity fails. Sometimes the lives of people in hospitals are lost due to a lack of electricity. The education of Africa's children is often hampered when there is no electricity in schools. Therefore, one of the highest priorities for African countries is to develop adequate and reliable energy sources to power mining, agriculture, irrigation, transport, industry and all other areas involved in their economic transformation. Countries need to change from importing and consuming nations to producing and exporting ones. This can only be achieved if they have an adequate supply of energy.

African governments also need to be firmly committed and determined to improve the generation and distribution of hydroelectric power in each Regional Economic Community in order to meet industrial and domestic energy needs. To that end, national power grids should be inter-linked to guarantee uninterrupted power supplies for all countries at all times. The joint construction of multipurpose dams is critical. Apart from generating electricity, these will also provide irrigation, piped drinking water to wider areas, and fish farming that will improve nutrition in rural communities. They will also allow rural communities access to power for the small-scale industrial production and processing of their raw materials.

As the way forward, African governments have developed integrated programmes that establish priority areas in the fields of transportation and communications for a ten-year period. A huge investment package is required for the following projects:

(1) maintenance and rehabilitation of existing transport and communication networks; (2) training and technical assistance; (3) inter-state links with neighbouring countries; and (4) transport corridors and sub-regional projects. Furthermore, to ensure growth and development, rural areas must be linked with cities, towns and urban centres to encourage domestic and international trade. Good roads will also enable people in rural areas to easily go to markets, hospitals, clinics, schools, and even to towns to sell their produce.

As a way of achieving African unity, high priority should be given to the construction of adequate transportation designed with effective linkages among all members within each Regional Economic Community, as defined by the African Union, and between the regional economic groupings. For example, there should be an intra-SADC, intra-UDEAC and an intra-ECOWAS highway. These regional highways should eventually link up to form several intra-African highways. The same can be implemented with railways. The continent needs an intra-African railway network that links the various regions of Africa. It should be possible to travel by road or rail from Johannesburg through East and Central Africa into Nigeria and onward to the rest of West Africa. Only when African countries achieve such linkages can they reasonably expect to have a viable African Union Government.

EDUCATION, SCIENCE AND TECHNOLOGY

Research has shown that one of the greatest weaknesses of African countries is the lack of capacity in economic management and the lack of ownership and control over science and technology and applied engineering to create new wealth for Africa. Africa is rich in gold, oil, natural gas, asbestos, manganese, diamonds, uranium, titanium, silicon, copper, iron and steel, phosphates, bauxite, chrome, lime, emeralds, and many other precious and semi-precious stones that need to be turned into new wealth.

At present Africa does not have access to science and technology to process these minerals for development. In effect such resources are being exploited by advanced industrial nations without due regard for the welfare of the African people.

Many experts now agree that African countries need technology in these areas and that advanced industrial countries should use their know-how to exploit these natural resources for the benefit of the African people. Africa should also redesign the educational curricula at universities and institutions of higher learning to train people, in order to transform the continent through science and technology. In fact, some believe Africa gives more resources to the North through its minerals than it receives in foreign aid and technical assistance. This is largely because Africa exports crude or semi-processed minerals and then imports them back from the North in their processed form at much higher prices. When this happens, Africa loses twice in its global trading relations.

To move forward, Africa must concede that the countries cannot industrialise fast enough or add value to their minerals, raw materials and agricultural commodities without applying science and technology in a big way. What African nations now need is to make a quantum leap in developing science and technology in all sectors of their economies. We have learned that one of the biggest factors retarding growth in African countries is largely because of little or no access to science and technology in agriculture, mining and industry. The value added in African manufacturing industries is generally much slower than those in advanced countries. This rate is not expected to increase dramatically, partly because African countries cannot generate additional local financing for industrial research, and partly because of a general decline in resource flows from developing countries. Furthermore, the lack of locally produced raw materials and other inputs has resulted in extensive unused industrial capacity, which has escalated the unit production cost of African manufactured goods.

In recent years, many African countries have evolved integrated industrial development strategies, as a follow-up to the Lagos Plan of Action to form the basis for assistance programmes to Africa in this sector. The critical sub-sectors and activities for priority attention include: (1) rehabilitation of industries and improvement of capacity; (2) exploration for, and processing of, local raw materials and substitutes; (3) production of intermediate outputs, especially to support agro-based and transport industries; (4) production of simple tools and implements, especially for small-scale industries; (5) resource-based core industries (food, leather products, wood-based industries, textiles, clothing, pulp and paper products, fertilisers, iron and steel); (6) engineering core industries, machine tools, foundries, forging plants, metal coating, spare parts and components, and heat treatment; (7) chemical industries; and (8) packaging industries.

A general consensus has emerged in Africa and in some G8 countries that Africa must have special assistance to industrialise as a way to alleviate global poverty. The need for a special assistance programme to Africa is not a recent phenomenon. The deteriorating social and economic conditions in Africa, which became evident in the 1970s, called for special efforts to articulate concrete strategies and to mobilise resources and public opinion towards improving the economic performance of the continent's countries. But special assistance needs for Sub-Saharan Africa have become more pronounced over the past five years, when world attention was brought to the suffering, hunger, malnutrition and death of many millions of people. The international community appears to agree that special efforts should be made to mobilise all forms of assistance to deal with the current critical social and economic crisis in Africa. But the question as to how much assistance would be adequate remains unanswered.

Therefore it is logical to expect that the G8's special assistance programmes to Africa need to be remodelled to meet the emerging compact with African countries. A number of issues need further clarification. Firstly, despite critical conditions

due to drought and famine in some countries and the fact that hundreds of people continue to die of hunger, malnutrition and easily preventable diseases each day, special assistance to Africa appears to be programmed according to 'big power' politics, with assistance from private 'charitable' organisations dependant on political ideologies. In a single country alone, hundreds of such charitable organisations may operate while the same donors provide no assistance to other African countries. This has raised serious doubt about the motives of these aid donors.

Secondly, due to other global considerations in the G8, no concerted efforts have been made to deal with the African poverty situation in a serious manner. As a result, statistics show that the bulk of development aid has been channelled to a few African countries that are considered 'good' while the rest receive marginal attention. This apparent selectivity has tended to frustrate efforts to reach the largest possible number of those most critically affected. It is therefore suggested that future G8 forums on assistance to Africa should have appropriate and effective mechanisms for aid distribution, including dialogue among all aid donors and recipients to ensure that aid programmes achieve the maximum positive impact.

Thirdly, in reviewing the special assistance to Africa, one gets the impression that programmes are carried out on an ad hoc basis. In other words, no proper inventory or accountability seems to have been made of all the commitments for aid and technical assistance. In fact, some aid decisions are made on the spur of the moment without taking into full consideration the practical political issues of the recipient countries. Consequently, efforts are often impeded, or at best have minimal success or impact, especially when new 'goal posts' are created by donors. We propose that aid organisations, bilateral donors and multilateral institutions carry out an inventory to explore possibilities of increasing support to target growth. This would promote sustainable operations, as well as income distribution in recipient countries.

In addition to the factors listed above, it is imperative to respond urgently and positively to Africa's requirements, including the rehabilitation and reconstruction of post-conflict economies. However, this must not be done at the expense of long-term development and economic transformation programmes. Therefore, in order to adopt new and effective development strategies that will make sure African countries do not slide back into a similar crisis in the future, the special assistance programme package should include a substantial allocation of funds for medium and long-term development. Consequently, all aid donors should be urged not to divert resources away from medium and long-term projects, but provide additional resources for emergency relief operations. It is also essential to develop an effective system for monitoring and evaluating assistance, to make sure it generates the desired results.

A hotly debated issue in modern governance within a fully liberalised economy is how to regulate big business monopoly over science and technology. This situation has invariably resulted in divergence between productivity and welfare in the management of the economic process in African countries. Firstly, we must recognise the concentration of global oligopoly power that the multinational corporations have in key sectors of the economy in developing countries. These sectors include mineral extraction, industrial and agricultural processing, manufacturing, food production, banking and financial institutions, transport, communications and energy. There is fear that, in emerging democracies, good governance will be difficult to attain if corporate capitalism continues to wield tremendous and uncontrolled oligopoly power by instituting vertically or horizontally integrated production functions, ranging from policy decision-making to financing, research, production, advertising and merchandising. But the more fundamental factor in governance is African governments' inability to own and control technological research and innovation that would result in an appropriate factor-mix producing the right goods, for the right market, at the right price.

In the context of African economic thought, three basic issues arise from control over science and technology. Firstly, the industrialisation of a country, and hence economic progress, primarily depends upon the ability of its citizens to acquire, assimilate, adapt and develop technologies which specifically meet the needs of that country. Furthermore, industrialisation of rural areas, including the modernisation of agriculture, cannot be easily achieved through the installation of technologies developed in industrialised countries without readjustment. In addition, industrial and agricultural processing cannot be geared to domestic needs without local institutions and individuals capable of receiving and adjusting such technology to meet specific development objectives.

The second issue is to remember that technology is highly dynamic and can change within a given economic or sociological environment. The transfer of technology should thus be viewed within such dynamic parameters and the questions that remain to be answered are: How should technology be transferred to African countries? Whom should it benefit? Through what channels should it be delivered, and at what price? Most African countries, as buyers or recipients of technology, are seriously concerned about their ability to use it as a means for ensuring management and production techniques that are better suited to their development needs.

Thirdly, some African countries feel that foreign companies should no longer be allowed to monopolise the provision of skills and technologies and that these should be replaced by new technical innovations chosen by the country concerned. This is to avoid the concentration of capital-intensive processes in the hands of a few foreign companies. This is particularly true in the application of capital-intensive production techniques such as in mining and petroleum exploration. This view was voiced by Uma Lele in *The Design of Rural Development* (1975), when she stated that capital-intensive techniques, such as farm mechanisation, in the agricultural development of Africa contribute little to providing

employment, and hence income distribution. Therefore, new solutions to these problems should be found, away from the direct control of TNCs and other factors.

In pursuing the new policy drive, there is clear evidence that for today's nation-states, real power lies in controlling technology. Therefore, how technology transfer has been interpreted and applied has caused major difficulties in many recipient countries from an African economic management standpoint. Some industrialised countries view technology as a form of aid under which their technical personnel and economic surrogates are transferred to recipient countries for a given period of time, at the end of which a particular type of brainwashing of their indigenous counterparts should have occurred. In such cases, technology transfer is often related to the purchase of machinery and equipment which cannot be operated by local personnel and which requires the continued presence of expatriates from donor countries. Indigenous scientists and technicians are left in a state of perpetual dependency where the use of such technology is concerned, because aid conditions would never permit them to gain full control.

Furthermore, due to the lack of clear understanding of the intrigues involved, recipient governments rarely make sure that each foreign expert has a local counterpart to whom such technology is handed over when the contract expires. In countries where this has occurred, the results have been poor, partly due to the unwillingness of foreign experts to impart their knowledge to local technicians, but largely due to governments not taking positive measures to encourage the development of indigenous expertise. In this regard, some analysts argue that some types of technology are only possible if a certain technological foundation already exists; namely a pool of locally trained professionals, such as engineers, technologists and skilled craftsmen and an infrastructure composed of organisations or institutions for technological design, research and development. The United Nations suggests that the larger the reserve of

trained indigenous technological manpower, accompanied by domestic technologies, the greater the potential for meeting real development needs and establishing the necessary capacity to absorb imported technology. However, since most African nations generally lack this type of personnel and facilities for developing local skills, governments need to exercise great caution before accepting any foreign technology. Similarly, since existing and potential technology in industrialised countries has been developed to meet their particular needs, it follows therefore that the transfer of such technology (however packaged) may not actually promote growth and development in recipient countries. The answer therefore is to have the imported technology properly screened, evaluated, assimilated and adapted to meet local conditions.

This basic problem with technology transfer was also recognised by Lester Pearson in Partners in Development (1969), when he asserted that, 'The existence of a vast fund of technological and scientific knowledge in the industrialised countries was a great asset, but it also proved to be a mixed blessing for countries which are starting late on the road to development.' Thus, if technology results in increasing unemployment, it directly reduces society's welfare as a whole. Technological advancements have also greatly increased the rate of obsolescence of the machinery and equipment which African countries generally import. At the same time, the export markets for primary products have been constantly narrowed by advances in technology, which has led to cheaper synthetic substitutes. Imitation of the labour-saving production processes prevalent in the industrialised countries has also limited the impact of investment in human capital, and hence employment in African countries. This should be viewed against the sharp upswing in population growth rates at a time when the possibilities of employment emigration are much more limited than they were in Europe during the Industrial Revolution.

INDUSTRIALISATION

The designing of an industrialisation strategy for Africa poses serious challenges for a number of African countries, because many of them are agro-based and only a few possess mineral deposits with commercial viability. In these cases, industrial development would occur in the agro-processing sector. Let us now examine some of these industries.

The Cotton Textile Industry

Cotton is an important cash crop for many countries; therefore, Africa should now make a concerted policy shift so that cotton becomes an anchor of its economy and helps it combat the adverse effects of globalisation. Experience gained in countries such as Sudan, Egypt, Kenya, Malawi and Mauritius shows that cotton can make a nation prosperous. A consensus is being built that one of the quickest ways of diversifying away from tobacco is to develop an integrated cotton textile industry.

An integrated cotton industry would involve establishing infrastructure for the various processing stages, including ginning, spinning, weaving, dyeing, printing and garments manufacturing. The goal would be to add significant value to Africa's exports while at the same time generating employment. Therefore, the highest priority for the cotton-producing countries with agro-based economies over the next ten years should be to develop an integrated cotton textile industry. Cash crops like cotton, groundnuts, rice, sugar, sunflower, paprika, etc. could be declared crops of national strategic importance, so that new policies might be adopted to attract more investment funds for the processing and manufacturing of these commodities for export. Initially, the integrated cotton textile industry should be primarily geared toward taking advantage of the American market, which has opened up under the African Growth and Opportunity Act (AGOA) of the United States of America as well as the markets in the European Union, Japan, and other OECD countries. Such countries should also make new efforts to supply COMESA ECOWAS and SADC with high-quality cotton garments and products.

If the past is anything to go by, policy-makers in these countries should have realised by now that the abandonment of cotton processing, which began during the colonial administration, was a big mistake – one for which they have paid dearly and continue to do so. That particular decision resulted in two misfortunes for Africa. First, some cotton-producing African countries have permanently lost their chance to add value to cotton, and hence their export earnings. Second, by abandoning cotton processing, and by exporting raw cotton, these countries have in effect been exporting jobs.

It must also be emphasised that the cotton textile industry has the potential to earn huge export and local income as well as to provide enormous employment opportunities in many African countries. Therefore, cotton should now play a leading role in the industrial life of these countries. In fact, the integrated cotton textile industry can generate exports throughout the year. Therefore, countries should not settle for simply increasing cotton production and marketing. They must opt for transforming their cotton into textiles and garments.

The AGOA has opened up new export possibilities for Africa, unimaginable only a few years before. AGOA offers African countries duty-free entry into the United States market for the next nine years. Moreover, the US imports a total of USD66 billion in garments, and for Africa this offers unprecedented opportunities. For instance, in Malawi alone, rough estimates indicate that the integrated cotton textile industry alone has the capacity to generate annual incomes of about USD3.2 billion annually and to create over 500,000 new jobs in some African countries over the next five to ten years.

Africa can export almost unlimited quantities of cotton garments and textile products to the United States and, in addition to the opportunities offered by AGOA, Africa can also take advantage of the growing demand for textile goods and garments in the European Union, Japan, the Middle East, Canada and South

East Asia. So for Africa, the only limits are in the imaginations of its policy-makers. By the same token, it is unimaginable that posterity would forgive modern policy-makers for squandering this great opportunity to export cotton to the US under AGOA. In support of the case for establishing integrated cotton textile industries in Africa is the fact that some countries in the SADC region that do not grow cotton, notably Mauritius and Namibia, are now among the largest exporters of cotton textile goods to the United States and European Union.

The African cotton-producing countries have the following comparative advantages over many countries with a cotton industry.

(1) An excellent climate and soil conditions for growing cotton. Some countries like Malawi, Kenya, Uganda, Tanzania, and Ethiopia have huge lakes and river basins with enough water to irrigate for cotton even if the rains do not come. Here is wealth sitting around unexploited.

(2) Potentials to attract large manufacturing firms interested in this industry. Companies already exist that might be upgraded to produce international quality products.

(3) An abundance of cheap labour that can help keep textile prices low, and thus competitive, in the United States and other world markets. Existing transport and communications infrastructure can easily be improved to support a modern cotton textile industry in cotton-growing areas or anywhere else in Africa.

(4) Opportunities to qualify to supply cotton textile goods to the United States under the AGOA.

The Tobacco Industry

The tobacco industry is another option for countries such as Malawi, Zimbabwe, Zambia, Tanzania and Mozambique, generating a large percent of these countries' export earnings,

GDP, and gross tax revenues. The tobacco industry directly or indirectly employs about 42% of the total population engaged in agriculture. No one can deny the fact that tobacco will remain the major source of growth of the economies for some time to come. However, while these countries directly benefit from tobacco sales on the auction floors, they do not control the proceeds from the sale of tobacco abroad. This, in itself, is the reason why some of the countries have problems managing economic growth.

The critical issue is that these countries should not be content with merely improving tobacco farming and marketing. New efforts must be made to manufacture quality cigarettes, pipe tobacco, cigars and cigarillos. If this were to happen, they could profitably revive the manufacturing of tobacco. The point to stress is that the manufacture and export of these products will add great value to exports in general, while expanding investment and employment opportunities in this industry. These countries must find new international partners willing to develop the cigarette-manufacturing industry so that more export earnings can be made to benefit the indigenous population. A sovereign decision should be made and supported by all vested interests. This should occur through negotiations in which all parties come out winners.

We can therefore draw the lesson that fundamental reforms in the tobacco industry also need to be introduced, because current regulatory policies are not adequate enough to ensure that tobacco will contribute more positively to the economy. Strong apprehension exists that, without new measures, tobacco production and marketing will pass totally out of the hands of African nationals to foreign entities. If that happened, countries would continue in their role as a ‘buyers’ market’. They would also lose control over one of their main agricultural resources. The worst-case scenario would be that foreigners could at any time hold the nations hostage by buying tobacco at throw-away prices, thus frustrating government efforts to spread growth and

income to the rural poor. This is a political problem that African governments must debate and resolve so the people in these countries will benefit.

The Tea Industry

The tea industry is a viable option for countries like Malawi, Zimbabwe, Kenya, Mauritius, Zambia and Uganda where tea exports can amount to millions of dollars annually. However, at present most of the benefits generally go to the expatriates who own the tea estates. Tea is one of Africa's natural resources currently being exploited and exported without visible benefit to the people of Africa. Comparatively speaking, the land surface area producing tea appears larger than that producing cotton. This has led many observers to ask: How does tea benefit Africa? These observers have recently asked governments to review the tea industry to provide a new and transparent direction so that tea exports might help strengthen foreign exchange earnings and not simply provide benefits to the few individuals who now monopolise it.

The Coffee Industry

Coffee offers huge income for countries like Ethiopia, Kenya, Uganda and Malawi, but for various reasons these countries do not benefit significantly from this crop. This situation can be changed; there is great potential for a revitalised coffee industry as part of the export basket. The governments concerned should shore up coffee production by injecting new capital, human resources and research in order to expand the areas under production. This should be supported by measures that increase benefits resulting from the coffee crop, especially for small farmers.

The Sugar Industry

Sugar is important for Malawi, Zambia, Egypt, Sudan, Zimbabwe, Mauritius and Mozambique. These countries have huge potential for increasing their sugar production for export and for domestic consumption. African sugar has now gained a favourable international reputation and can be grown commercially in many parts of the

countries concerned. A new investment policy needs to be introduced to provide more investment resources and advanced technology to the sugar industry.

The Cocoa Industry

Cocoa is important for countries in West Africa, such as Ghana, the Côte d'Ivoire and others. African cocoa is famous all over the world and forms the basis for the chocolate industry in Switzerland and other developed countries. It is plausible that countries producing cocoa might embark on the production of cocoa and its derivatives.

The Mining Industry

The African mining industry provides the driving force for the economic development of a number of African countries. Africa has considerable mineral deposits. The most significant ones include gold, platinum, diamonds, copper, coal, uranium, bauxite, petroleum and natural gas. Recently there has been increased exploration for oil and gas, uranium, coal and rare earth metals including niobium and tatantalum. A search for oil and gas has intensified in the great Lakes Region and off-shore around the Indian Ocean in Southern and Northern Mozambique around Mtwara. Discoveries of oil in Lake Albert and Lake Tanganyika have highlighted the potential of discovering oil in Lake Malawi. Recent studies have shown that Lake Malawi hosts sedimentary structures that can trap oil and gas.

Gold and platinum are important minerals in Africa. There has generally been a downward trend in the production of gold and platimum, as well as other precious metal since 2005. This is because of production has declined in South Africa due to high production costs and accidents in mature mines. Apart from South Africa, Zimbabwe and Ghana, most countries in Africa produce substantial quantities of gold through informal artisanal operations, though these are difficult to record.

There has generally been stable diamond production in Africa averaging 93 million carats between 2005 and 2008. The

Democratic Republic of Congo, Botswana and South Africa are the main producers of diamonds in Africa. Namibia and Angola are making a significant contribution, in excess of two million carats per annum. The main production of diamonds is happening in kimberlites and Namibia's diamonds are mostly alluvial. Zimbabwe will contribute much to diamond production following recent discoveries of alluvial deposits at Marange, where about 900,000 carats were sold in August 2010 and kimberlites have been discovered. Kimberlites and kimberlitic signatures have been discovered in Zambia and Malawi. Malawi's potential lies in the area between Mwanza and Chikhwawa, where buried circular structures (anomalies) were discovered in the mid-1980s. Another potential site for possible discovery of diamonds is the Mlowe area in Rumphi district, where a kimberlitic dyke was discovered by Geological Survey of Malawi.

The copper industry has seen significant increases in production, from 654,233 tonnes in 2005 to 919,300 tonnes in 2008. Zambia is the largest producer of copper above 500,000 tonnes per annum, while the Democratic Republic of Congo is second with production now exceeding 200,000 tonnes. The rest is shared by South Africa, Mauritania, Morocco and Namibia. The Copper Belt will continue to supply copper to the world for some time to come, especially with the achievement of peace in the Democratic Republic of Congo. The total world copper production in 2008 reached 15.5 million tonnes, with most coming form Chile (about 5.3 million tonnes). The USA, China and Peru contributed in excess of one million tonnes. The current price of copper is around USD7,200 per tonne.

The crude petroleum production increased from 466 million tonnes in 2005 to over 489 million tonnes in 2008. Significant contribution came from Nigeria, Angola, Libya, Algeria, Egypt and Sudan who accounted for over 340 million tonnes. World production remained stable at a production of around 3.9 billion tonnes per annum during the period under review. Saudi Arabia has topped the list of producers at over 515 million tonnes followed

by Iran (over 200 million tonnes per annum), China (over 180 million tonnes) and, Kuwait and United Arab Emirates producing over 135 million tonnes each. These in total produced over 1.2 billion tonnes of crude petroleum. Similarly, natural gas production has increased significantly to over 111 million cubic metres from 42,000 cubic metres in 2005.

African coal production has not seen significant increases. It grew from 248 million in 2005 tonnes to 255 million tonnes in 2008. The main producer has been South Africa, at over 240 million tonnes per annum followed by Zimbabwe at over 1.7 million tonnes per annum. The next country to contribute significantly to coal production in Africa is Mozambique, which has produced already over one billion tonnes of coal.

Uranium production is showing an upward trend. Production has increased from 6.6 thousand tonnes to 8 thousand tonnes in 2008. Namibia's production has increased from 2.8 thousand tonnes to 4.4 thousand tonnes. Niger's contribution is about 3,000 tonnes while South Africa contributes the rest. Malawi has joined uranium-producing countries and produces about 1,500 tonnes per annum. This will make Malawi the seventh-largest producer of uranium in the world. World production has increased from 47,700 tonnes to 51,900 tonnes. Australia and Khazakhstan are the largest producers at about 8,000 tonnes per annum. The increase in uranium production is for use mainly in nuclear power generation. The current prices of uranium average USD60 per lb.

Bauxite production in Africa has been dominated by Guinea, which has been producing about 18 million tonnes annually against an African annual production of slightly over 19 million tonnes. Other smaller producers are Ghana, Sierra Leone, Tanzania and Mozambique. Aluminium production has been stable, hovering around 1.7 million tonnes. South Africa, Mozambique and Egypt are the only main producers, accounting for 1.6 million tones of production. Mulanje and Manica Bauxite in Malawi and Mozambique offer additional opportunities for mining and

smelting once enough power has been generated for the project. Meanwhile Richards Bay and MOZAL smelters will continue to be supplied by imported alumina from as far as Australia.

THE AFRICAN PLANNING PROCESSES

The design of the African planning processes is a pre-requisite for an effective development agenda. Experience has shown that economic growth policies are essential if Africa is to eliminate poverty and claim its share of global wealth and prosperity. In this section, we emphasise that economic planning is also vital for fighting widespread poverty in Africa. Countries need to develop national capacities to plan development programmes that focus on attaining a sustainable high rate of macroeconomic growth. For the purpose of this analysis, planning for growth means the conscious and orderly management of macroeconomic aggregates, such as agricultural production, industry, manufacturing, revenues, incomes, foreign exchange earnings, trade and employment, in such a manner that the economy can meet its needs for economic and social transformation. Economic development planning enables a government to determine the direction macroeconomic growth should take over a given period of time, by providing guidelines to government agencies, the private sector and NGOs on the levels of investment required to increase the production, distribution and the marketing of goods and services, thereby removing distortions in macroeconomic parameters.

The need for national planning was recognised by leading World Bank economists, Warren C. Baum and Stokes M. Tolbert. In *Investing in Development: Lessons of World Bank Experience* (1985), they observed that:

> "Within the broad array of types of development plans and of purposes to which they have been put, some notable trends can be discerned. By the time the World Bank made its first loan outside Europe in 1948,

> it found many developing countries committed to or already engaged in some form of centralised economic planning… Among the factors contributing to this enthusiasm were the apparent success of the Russian five-year plans, the wartime experience of national planning in Europe and the United States, and the success of post-war European recovery programmes, which relied heavily on national planning efforts orchestrated by governments. The case for planning was further strengthened by the development of computers, along with modelling and programming techniques, which appeared to make it feasible to exercise detailed centralised economic direction."

This observation underscores the fact that the battle strategy against underdevelopment should recognise that African national economic planning enables governments to efficiently allocate resources among competing priority needs, while at the same time balancing present national economic and financial requirements against future needs. This also helps to satisfy current consumption and demand, through the strengthening of the supply function, and to maintain savings and investments for future development prospects. The planning machinery also enables the government to determine if the economic, monetary and financial policies being implemented are adequate for sustainable growth and development. In other words, economic development planning enables the assessment of the entire economy's performance, thus alerting the authorities if the economy has veered off the planned growth path.

Development planning should also recognise the new African policy directions, which seek to redesign the monetary and economic reforms being implemented by the government so that these solve the deep-rooted structural problems present in most African countries. This needs to occur, because the SAPs and ESAFs have failed. Essentially instruments for managing short-term economic crises, they focused on reducing public expenditures at the expense of industrialisation and manufacturing to strengthen the supply function.

As we have seen earlier in this treatise, these adjustment programmes achieved few objectives, in part because national

planning was replaced by liberalisation, causing major economic decision-making to be transferred to the private sector. Obviously, private entrepreneurs do not have the responsibility for planning the economic growth of a nation. They simply take advantage of the environment created by the government-planning framework. The investors who will help diversify the African economy, seen according to our arguments as essential to macroeconomic growth, are not even aware of national planning. Also, in the past when planning did not exist, countries drifted toward mono-cultural policies that resulted in many of Africa's countries becoming extremely dependent on the export earnings of only one crop.

At the continental level, the African Union has opted to maintain eight Regional Economic Communities for the purposes of moving towards one African Economic Community. Therefore, it is essential to understand how this will impact economic planning. To begin, the regional planning process involves the identification of key macroeconomic aggregates in a group of countries and the establishment of regional policy objectives, priorities and targets in order to achieve a pre-determined level of growth. This also involves the assessment and mobilisation of resources for implementing the agreed regional objectives as well as monitoring, evaluating and assessing the programmes and projects selected to achieve regional development balance. Through the planning process, the governments can agree to set national growth targets for each government ministry such as agriculture, industry, trade, transport, health, services and determine the growth levels each sector should achieve five, ten, fifteen or twenty years hence. In this way, the performance of each economy can be measured against benchmarks set for the region as a whole. So important is the planning function that it is difficult to imagine how governments can envision sustainable regional growth without a mechanism to encourage such growth.

At the national level, each government could consolidate the performance of line ministries to determine the aggregate targets to be realised for the country as a whole. For instance,

the ministry of transport would know what the road and railways networks should be over the plan period. It would know how many highways, trunk roads, feeder roads and rural access roads the country should have, where they should be constructed and what impact these networks should have on the development of other sectors. Through the planning function, the ministry of energy and natural resources would determine how many hydroelectric power plants should be constructed over the next twenty years and on which rivers. It would also determine which towns, growth centres and rural communities should be served by these power plants. At the same time, the ministry would determine what other forms of energy, such as geo-thermal, wind, solar or biogas should be developed over the same period. This planning exercise would also be carried out in the rest of the government ministries – agriculture, industry, communications, trade, health, education and so on.

It is evident that, without national economic planning, the economies would have no direction and would drift aimlessly like a ship without a sail. In that regard, one of the most fundamental errors of judgement that Africa made in the late 1970s was to abandon national development planning. By so doing, the governments rejected their right to determine their own macroeconomic growth path, so essential for managing growth and poverty alleviation. Because governments were advised to abandon planning, and simply create an enabling environment for the private sector, they ended up becoming silent spectators in a game played by foreign direct investors. This spelt obvious disaster as the African economies reeled without direction, dipping into a situation where resuming macroeconomic growth as a means to resolve Africa's economic and social problems became extremely difficult. This situation has led some observers to refer to SAPs and ESAFs as vestiges of neo-colonialism.

Regional planning implies that all countries instruct their ministries, departments or statutory corporations to have a common plan perspective that includes resource requirements

and how these will be obtained and from whom. Each country would authorise the ministry responsible for economic planning and development to coordinate with the regional development plans and work as a single entity. In other words, a regional planning authority would be created to assume responsibility for ensuring the performance and accountability of the constituent national planning entities. It is important that the new planning machinery look at the range of productive programmes in industry, infrastructure, mineral extraction and production, agricultural processing, energy supply and in all other sectors in order to appreciate the immense potential that each country has to export more goods to regional and international markets. The planning entity can also rejuvenate the present levels of investment in processing and manufacturing by raising awareness in the global markets about what Africa can produce.

An equally critical aspect of regional economic planning is to enable participating governments to create an environment that will encourage the participation of the private sector in poverty alleviation. This would be done by identifying investment opportunities in the agricultural and industrial sectors. Most importantly, however, is that the implementation of a new growth policy in African countries with limited resources must include mechanisms for accurately assessing investment and other resource requirements over a given period of time. This would be facilitated by a regional development plan that endeavours to create a broader investment space for mega industries. It is also useful to define the specific actions that need to be taken to generate adequate resources to implement the growth strategy.

Another reason supporting regional economic planning is that it provides the opportunity to identify and assess domestic resources and how these can be tapped to generate income for the rural poor. Planning can also change the African mind-set so people stop believing that the only way for their countries to develop is with foreign aid. That belief leads to nowhere. In fact, the recent withdrawal of funding by some donors, coupled with

the suspension of disbursements by others, gave a clear signal that Africa needs to intensify its efforts towards foreign direct investment and domestic resource mobilisation. There is ample evidence that escaping the poverty trap is possible through the right combination of intensive domestic savings and increased foreign investment in the manufacturing, mining, agricultural and agro-processing industries.

We can observe that regional economic development planning requires certain actions to be taken in a logical manner. In other words, Africa must usher in a new economic order based on harmonised vision and mutually beneficial objectives and priorities. To that end, it is proposed that emerging policy options lead to selective and well-focused priorities in agriculture, agro-processing, industrial development and manufacturing, mining, energy and transport and communications infrastructure over the next ten years. African countries must also agree to share research in science and technology for development. The introduction of regional development planning has become a top priority, because this will assist African authorities to determine the appropriate future stance for Africa's survival in a global environment. An essential element of this is to redesign trade policy to ensure that Africa increases its export earnings by effectively penetrating the European Union and American markets with high-quality goods that meet international regulations and standards. The private sector, with the active support of the governments, must select products of national and regional significance from the basket. Then huge investments must be directed toward them in order to acquire the necessary economies of scale, the competitive edge or ‘niche’ required for each country to survive in the global markets.

In order to achieve an acceptable growth rate, it is essential to create an enabling environment by designing a new holistic regional development strategy. This should include, among other things, the following elements. Firstly, the definition of realistic and implementable growth targets for each sector of the economies.

These should cover the major cash crops like cotton, tobacco, tea, sugar, coffee, groundnuts, sunflowers, fish, minerals and rice as well as every product in which there is comparative advantage in terms of cost and pricing. Such targets must define what can be achieved in five years, ten years, fifteen years and twenty years. The focus should then turn to promoting rapid industrialisation using raw materials from these sectors.

Secondly, appropriate conditions should be created so that within a reasonable period of time African countries become producing and exporting nations. The new growth strategy should be coordinated with the on-going Poverty Reduction and Growth Strategy (PRGS) and the Heavily Indebted Poor Countries (HIPC) initiative so as to ensure that the largest number of poor benefit from it. Many African countries feel they would also benefit from the New Partnership for Africa's Development (NEPAD) by creating a stronger export base.

Thirdly, new measures need to be implemented for the systemic identification, allocation and utilisation of natural, human and financial resources, both national and foreign, in the agricultural and industrial sectors to increase export earnings. An enabling environment for attracting investors into the productive sectors of the economy should also be created. Strict accountability and transparency in reporting on the use of resources generated locally or abroad must occur.

Fourthly, new roles must be defined for the private sector in Africa, providing adequate guidelines on how to encourage participation of foreign and local investors in increasing production, manufacturing and trading. Such guidelines should include providing technical support and advisory services with special attention to developing and strengthening indigenous small and medium-sized enterprises, village industries and the informal sectors so they can produce high-quality international goods and services.

Lastly, appropriate regional and national institutional capacities, both in the public and private sectors, need to be developed. These should be specifically designed to respond to the new macroeconomic growth paradigm, especially focusing on the building of capacity for research in agro-processing and manufacturing; the design and production of brand goods specific to and identified with Africa; the selection, acquisition and management of technology suitable for African countries; job skills enhancement, managerial training and vocational training; and, the utilisation of African universities and research institutions to undertake original research in alternate uses of crops like maize, cassava and other tubers.

CAPACITY BUILDING

As advocated in the previous sections, a necessary precondition is that macroeconomic growth must be at a level that would adequately address the development crisis in Africa. To achieve this, there is need to create regional and national capacities to design and implement the programmes and projects envisaged under the national and regional development initiatives. No one builds a house without builders. Therefore, the overriding consideration is that macroeconomic growth requires a holistic approach to human resource development and management covering all economic sectors and sub-sectors in a country. A prime national objective is that growth and development must reach all poor people at all levels in an economy. The human resources development policy should not be confined to the public sector; it must also ensure increased and unimpeded participation of the indigenous private sector, especially of women and youth, in investment decisions.

The most important aspect of building human capacity for development planning is to recognise that all people, especially the rural poor, need to be mobilised and motivated to support the transformation of the rural economy. In essence, traditional moral

persuasion, norms and obligations should be used to harness the huge talents and potential of the people, especially those of women and youth in the rural communities, not only to support democracy, but also to participate positively in transforming the economy. The government's role in human resources development must be seen as that of planning and facilitating the growth process, through the creation of an enabling political, social and investment climate that allows the greatest number of people to benefit from macroeconomic growth. It is important that appropriate interfacing take place between all interested groups in society, including NGOs and religious groups, to develop a level of human capacity that can sustain development. A new political management and business culture needs to be created to foster the motivation and productive talents of the nation, thereby propelling the economy to a higher level of macroeconomic growth.

The agenda for human resources development and training must include training and upgrading the skills of the civil service in policy formulation and design as well as in the implementation of structural adjustment programmes and the other policy reforms that will start the macroeconomic growth process toward a sustainable level. African countries must have the capacity to effectively analyse and interpret IMF and World Bank policy reforms *vis-a-vis* national goals and create the necessary transmission mechanism to pass on information to the private sector for implementation. The civil service must also have the calibre and professionalism to mobilise a cross-section of the civil society to undertake poverty reduction reforms at the local government, village and community levels so that the new programmes are validated by the people they are supposed to benefit. Experience in other countries shows that when the labour force is allowed to take the lead role in the programming and execution of activities, the rate and quality of implementation becomes greatly enhanced.

It is also critical to improve the capacity of the indigenous private sector so that there are more quality goods and services available to ordinary people at prices they can afford. Existing and

new industrial and manufacturing ventures should actively work toward upgrading the skills of indigenous workers so that produced goods are competitive in the national, regional and international markets. As stated earlier, priority should be given to processing agricultural raw materials and developing agro-industries.

We can therefore stress that in order to effectively apply science and technology to economic development, large numbers of African scientists, researchers, engineers, technologists, carpenters, manufacturers and industrial designers need to be trained to conduct research and development. Their explicit mandates will be to adapt and assimilate modern science and technology to production, distribution and trade in order to produce a new range of goods and services. There must also be adequate training of a sufficient number of trade experts, financial specialists and legal experts to support Africa's efforts to participate effectively in regional and international trade negotiations. These professionals will also help Africa attract cross-border and foreign direct investment through joint ventures and other participatory agreements.

One of the areas of capacity building in which Africa has performed dismally in the past is the utilisation of indigenous experts and consultants. The challenge facing African governments is how to use their own sons and daughters to promote growth and alleviate poverty. It is a sad fact that up until now Africa has tended to depend on ‘surrogate’ economic advisers and consultants, shutting out the huge reservoir of local expertise in the university and institutions of higher learning in each country. All levels of local human resources capabilities now need to be used. This includes training business entrepreneurs on how to start, organise and manage a business for profit. Specific attention should also be given to gender equality in planning for economic growth. This would provide self-employment for many people, especially school-leavers, easing the pressure on the government as the major employer in a country.

A consensus now exists that a country's industrialisation depends primarily on the ability of its citizens to adapt, assimilate and develop technologies that meet the specific needs of their country. In other words, no foreign national is expected to have, as its primary objective, the industrialisation of a country. One of the major concerns of government, therefore, is to develop local skills and capabilities so as to reduce dependence on foreign experts. In this regard, the concept of a human being at the centre for all economic activity, as developed by great African philosophers such as Leopold Senghor, Kenneth Kaunda, Julius Nyerere, and Kwame Nkrumah, brought a new meaning to the human dimension in development.

We can confidently conclude that, within the next five years, African governments have the urgent and daunting task of training their people in specific areas of business policy, entrepreneurial design, financing and trade so they can internally generate development. In order to develop appropriate technological and managerial capabilities, there should be a conscious policy to upgrade the knowledge and skills of indigenous scientists, engineers, mechanics, machinists, plant operators, communications experts, managers, supervisors and designers to assume the responsibility of managing the statutory corporations on commercial lines. Similarly, an opportunity should also be extended to the private sector, especially small and medium-sized enterprises and those owned and operated by women, youth and the physically handicapped, to develop their skills and capacities to cope with modern business trends.

Experience in the industrialised countries has shown that an effective human resources programme, accompanied by proper assessment and evaluation of the technological needs of a nation, is essential for managing and adapting science and technology for development. The programme should also include teaching local talent the skills to choose and adapt imported technology to meet the needs of the local environment. Local skills and expertise are also urgently needed to help ensure the following in order to

combat poverty: (1) full participation in industrial manufacturing through shared ownership; (2) control over productive ventures through equity-sharing, joint ventures, management contracts, service agreements and capitalisation; (3) choosing the location of factories in appropriate areas, mineral prospecting and exploration; and (4) dealing with restrictive business practices often used by foreign investors to keep local entrepreneurs from entering specific lines of business.

Another effective way of building capacity is to integrate African defence forces into national economic planning. The combined defence forces of different African countries constitute a huge reservoir of human capacity that can help alleviate poverty. Every army is a self-contained entity. For example, most armies have engineers capable of constructing buildings, roads and bridges, communications experts, architects, carpenters, and mechanics. These professionals could form the basis for strengthening national and regional capacities for development. National capacity building would be considerably enhanced if defence forces were involved in national development.

Over the past five decades, an important area of capacity building for development that has up until now received little or no attention in economic literature is the role of Africa's defence forces in promoting economic and social development. The reason for this is, during the colonial era, African soldiers were trained primarily as a fighting machine, ready to spill blood on order. However, well trained and highly disciplined armies can be used to perform other tasks; they can be used to complete specific development projects, such as the construction of infrastructure, communications, housing, and roads. The best way to engage the armed forces would be through consulting agreements. In other words, Africa might utilise its defence forces more completely as an institution for growth, instead of simply confining them to protecting their countries. Such consultancies would also provide the armies with additional resources that could be used to improve the welfare of soldiers.

An important consideration is that, due to the traditions and the manner in which the defence forces were created under the colonial regimes, the armies became detached from their countries' development activities. Trained as 'fighting machines', their experience was limited to fighting in the wars of their former colonial masters in the Horn of Africa and South East Asia. Now that the situation has changed, and African nations are free from colonialism, there is no need to continue isolating the armed forces or use them to subjugate, quell or oppress local populations. They must be turned into a human resource for macroeconomic growth.

The challenge for African governments is to utilise the great potential in their defence forces, to re-orient them to function efficiently in times of peace, war or national disaster. Defence forces are intended to be self-sufficient at all times; therefore, they should have among their members adequate information and communications technology experts, construction engineers, quantity surveyors, architects, planners and other experts that can readily be used to promote the prosperity of their nation. For many countries, the defence forces have in the past contributed to the construction of roads, bridges and other national building projects. The question now is how can this capacity be harnessed on a regular basis for the economic development of Africa's nations?

It is obvious that the benefits derived from enlisting the defence forces to participate in national development efforts are enormous. First, instead of awarding contracts to foreign consultants at huge costs, African governments could award such contracts to their national armies. This would result in enormous savings on foreign exchange, currently spent on paying expatriate consultants and contractors. A nation would also save on materials and equipment, because the armed forces would already have some of the equipment – now lying idle – and a regular source of funding. Second, part of the monies used to maintain the army for national defence (necessary expenditures, but ones with little

purpose today) could be recouped by engaging the defence forces in development projects, such as the construction of dams, hydropower projects, canals, bridges, roads and buildings, to name only a few.

Africa's poor nations simply cannot afford the luxury of maintaining huge defence forces as showpieces. Therefore, as part of the development strategy, defence forces should be effectively identified with the social, cultural and economic development of their nations. Few would disagree that this would lead to the civil society having a more positive attitude toward the army, no longer seeing them as a 'killing' machine but as a partner in development. At the same time, this would significantly enhance self-reliance in development.

In revitalising economic growth in Africa, a strong highly motivated and dedicated army constitutes a development potential beyond the imagination of many politicians. The defence forces constitute an integral part of a nation's wealth, one that can easily be harnessed for economic progress. The army as a huge human resource pool should be quickly integrated into the mainstream of capacity building while maintaining its distinct identity.

The above statements are based on ample evidence demonstrating the usefulness of defence forces in the field of economic development, even in the colonial days. For instance, the British Engineering Corps, the French, German and Italian forces all built numerous roads and bridges in many parts of Africa during the Second World War. Similarly, in modern Africa, defence forces have participated in relief and rehabilitation efforts during and after natural disasters.

The defence forces can also be the means for ensuring the justice, peace, security and stability required for sustainable macroeconomic growth. Some writers even see the defence forces as the foundation for a modern African state, while at the same time acting as a barometer for how well democracy is functioning.

A related issue is that governments must objectively examine defence expenditures with regard to the GDP, to determine how best such expenditures can directly contribute to the productive structures in the economy. From a human resources point of view, properly guided armed forces would considerably improve the economic and social performance of a country, and thus lead to further growth.

HEALTH DELIVERY SERVICE

One of the basic requirements for macroeconomic growth is to provide adequate health services affordable by all people, especially the poor in rural and peri-urban areas. The theory of human resources development and capacity building has acquired new dimensions with the advent of the HIV/AIDS pandemic, not only in Africa but globally. No sooner is a training programme completed, than the need arises to replace several able-bodied young men and women struck down by AIDS. Therefore, the implementation of the priorities listed in the preceding three chapters faces serious threat due to the s courge of the HIV/AIDS pandemic. This pandemic is exacting a serious knock-on effect on the economic growth of Africa. Young, energetic and productive sectors of the population are being wiped out faster than any training programme can replace them in the civil services, the private sector and even in the churches and other social service sectors.

The other priority area is to provide adequate maternal, infant and child health facilities to prevent unnecessary loss of lives. The HIV/AIDS pandemic is one of the biggest challenges that the governments of Africa face in public health. The continent is reeling from the death or incapacitation of experts and other able-bodied men and women because of readily preventable diseases. In many instances, African nations are losing trained, qualified and experienced people faster than they can train them.

Therefore, the fight against the HIV/AIDS pandemic and the prevention of new infections should be one of the top priorities. A common African strategy needs to be designed for managing HIV/AIDS, tuberculosis, malaria, diarrhoea, and cholera, taking into account that there are four interrelated aspects of the pandemic – medical, financial, social and political. The most compelling reason for a common strategy stems from the free movement of persons across borders; efforts to contain the disease in one country may be negated by an influx of infected persons from a neighbouring country. Therefore, the countries of Africa need to fight HIV/AIDS together.

Firstly, HIV/AIDS, tuberculosis and malaria are common diseases. Therefore the challenge is to improve the availability of treatment, presently in the form of anti-retroviral (ARV) drugs, and increase awareness among people, especially youth, about the dangers of contracting the disease. We also need to intensify campaigns for voluntary counselling and testing to provide early treatment for those found positive.

Second, these diseases have serious economic and financial dimensions. Experts say that in order for the ARV drugs to be effective, one must have enough food and a balanced diet. To afford good food, one must have the financial means to buy it. Therefore, an immediate concern is to ensure that those infected have access to good food. Without financial means this is obviously not possible.

Third, Africa needs to collectively deal with the social aspects of these endemic diseases. One aspect is the stigma associated with being HIV-positive or having HIV/AIDS. Some people have lost their jobs or standing in society as a result of their diagnosis. Another aspect is the overwhelming increase in the number of orphans resulting from HIV/AIDS. Such orphans can be divided into two categories: children without parents to look after them and adults over the age of sixty who also have no one to look after them. Our countries need huge resources to cope with this problem.

Fourth, these diseases pose a serious challenge to good governance. As stated earlier, African countries are rapidly losing experts and politicians who would have helped in the political and economic governance of their nations. Not a week passes by without someone dying from AIDS-related illnesses. According to the United Nations, more people are infected each year, including young children, youth, middle-age people and adults over 50 years of age.

The obvious conclusion is that we need a holistic approach at the African level to deal effectively with the HIV/AIDS pandemic. Any isolated solution would only create problems in the areas mentioned above. In order to adopt a holistic approach in the management of the HIV/AIDS pandemic, there is a need to consider this a medical crisis, a political crisis, an economic crisis and a social crisis. It is a medical crisis because it has mocked and frustrated all known medical principles, norms and practices, insofar as there is no cure for the disease. Medical knowledge is confined to merely prolonging the lives of the infected – prolonging the inevitable. At the same time, African governments do not have adequate funding to enable all patients access anti-retroviral drugs.

It must also be emphasised that these diseases constitutes an economic crisis because it has debilitated the able-bodied and income-earning segment of society. It has also disrupted economic growth by drawing away from the development focus a great deal of human and financial capital. It has the potential at the same time to derail every nation's capacity to implement its growth strategy.

HIV/AIDS is also a political and social crisis, because in many countries it has disrupted political governance and the very fabric of the family, creating a vacuum in traditional values. With cruel precision, HIV/AIDS has also created a huge and growing number of orphans with no hope and no future, and has left the elderly with baby-sitting responsibilities they are not equipped to handle.

In the context of planning for development, one of the greatest challenges facing governments is to place high priority on programmes and strategies aimed at controlling and managing the HIV/AIDS pandemic so as to reduce its devastating impacts on development efforts. In many countries, this is now being done through the National Aids Commissions, the Joint United Nations Programme on HIV/AIDS (UNAIDS), national governments, NGOs, religious leaders, international organisations and the donor communities who are co-ordinating their policies and combining their efforts to achieve the following. First, to significantly reduce HIV/AIDS by controlling and preventing the spread of AIDS through new infections and by ensuring that those already infected are provided with adequate support and counselling. Second, to provide timely, sufficient, cheap and affordable anti-retroviral medicines that effectively halt the development of HIV/AIDS in already infected patients while at the same time reducing or eliminating the transmission of HIV/AIDS, especially from pregnant mothers to their new-born infants. Third, to redesign a new awareness campaign that removes the stigma, isolation and discrimination associated with HIV/AIDS by informing the public that this is a sexually transmitted disease like syphilis and gonorrhoea, but that unlike them HIV/AIDS has no cure. The campaign should stress that there is no more shame or disgrace in admitting the presence of HIV/AIDS than there is for syphilis or gonorrhoea. The main objective should be to persuade all those infected to voluntarily come forward and seek appropriate medical support and counselling on how to live with HIV/AIDS. Fourth, to create a positive environment for uninhibited and open discussions on the nature, impact and consequences of HIV/AIDS in order to come up with a common strategy to deal with the pandemic and reduce its negative impact on economic growth and development.

The above factors indicate the gravity of the situation in African countries as a result of the HIV/AIDS pandemic. It also highlights the enormity of the task of building the national and regional capacity for resuming macroeconomic growth. Comprehensive efforts covering the political, economic and social dimensions of

the HIV/AIDS pandemic are needed to bring it under control. There is comfort in knowing that some African countries have succeeded in bringing about full national awareness of this human catastrophe and have effectively reduced the number of new infections. At the same time, many countries have rehabilitated those infected by removing the stigma, discrimination and isolation associated with the disease.

Therefore, for planning purposes, it is imperative that the leadership and governments of Africa, fully supported by UNAIDS, be committed to fighting HIV/AIDS, have prepared responses to this calamity and have decided to meet the challenge head-on. It is important to underscore that this is the responsibility of all Africans, to work together to bring the HIV/AIDS pandemic under control so that economic growth can take place unimpeded by this disease.

Similarly, in terms of human resources development and training, some NGOs have also engaged in the fight against the HIV/AIDS pandemic and have complemented government efforts by setting aside part of the resources they mobilise to participate in training people. In this way, a complete national effort will be put in place to develop the capacity for the planning and implementation of national development objectives and priorities.

The United Nations Millennium Development Goals relate to the reduction of maternal, infant and child mortality. These are also the core of Africa's development objectives and priorities. In this regard, health and nutrition is a new frontier in combating maternal, infant and child mortality in Africa. Some countries have achieved considerable progress in managing HIV/AIDS and providing public health to a large number of people. This includes the primary health care that is so critical in the socio-economic development. In the light of this, the Malawian Government has continued to make huge investments in the health sector where indicators reveal the health status of Malawians having generally improved since 2004. For example, out of every 1,000 babies born

in 2004, 76 died before the age of one, compared to 40 in 2010. In 2004, 133 of them died before the age of 5, compared with 122 in 2008. In order to improve the health care delivery system, the Government has continued to implement the Sector Wide Approach Programme, which helps in obtaining medicines and essential basic health necessities.

Let us examine this issue by using the experience of Malawi. Here, public health interventions have focused on improving the construction of modern District Hospitals in many parts of the country; the upgrading of some hospitals, which included increasing bed capacity; construction of new Ethel Mutharika Maternity wings; provision of Basic Emergency Obstetric Care facilities throughout the country thereby ensuring availability of essential drugs at health service points; and, immunisation of large numbers of infants against measles.

Another challenge that some African governments have successfully met relates to malnutrition, which still results in high rates of maternal and infant mortality. Approximately 44% of all pre-school children were classified as having stunted growth as a result of pervasive malnutrition in some Sub-Saharan African countries. To address the problem of malnutrition, some had intensified nutrition services delivery using the Essential Nutrition Action (ENA) package; distributed Vitamin A and iron supplements to 3.2 million children in 5,300 public schools, including de-worming and nutrition education; distributed many packets of VitaMeal to malnourished children accessing Community Based Care across the country; implemented the School Feeding Programme benefiting many children in public schools; and provided nutrition support to millions of people living with HIV and TB as well as the chronically ill.

In designing Malawi's strategy for fighting HIV/AIDS, the Government took into account four interrelated aspects of the pandemic: the medical, financial, social and political aspects. Specifically, the following measures were put in place: (1) the

provision of free anti-retroviral drugs to the poor as well as financially and economically empowering others so they could buy anti-retroviral drugs and have a healthy diet; (2) the distribution of free anti-retroviral drugs and the encouragement of voluntary testing in order to prolong and preserve the lives of infected people; and, (3) reducing morbidity and mortality, particularly among the most vulnerable groups, through the implementation of the Essential Health Package and other national plans and programmes. This package was delivered free of charge at the point of delivery for those who could not afford to pay.

The African governments had recognised that HIV/AIDS as a disease posed a challenge – to improve the availability of treatment in the form of anti-retroviral drugs and to increase awareness, especially among youth, about the dangers of contracting the disease. It therefore intensified its campaign for voluntary counselling and testing to provide early treatment for those who were found positive. Another challenge has been dealing with the serious economic and financial dimensions of the pandemic. In order for the ARV drugs to be effective, those infected needed enough food to eat and a balanced diet. To afford good food, one needed the financial means to buy it. Therefore, the immediate concern was to ensure that those affected had access to good food. Without financial means this was obviously not possible.

The third challenge African countries faced was how to deal with the social aspects of HIV/AIDS. First, they had to fight the stigma attached to being HIV positive or having AIDS. The Malawian Government was concerned that some people had lost their jobs or their social status in society when others found out they were HIV positive. Second, something had to be done about the overwhelming increase in the number of orphans resulting from HIV/AIDS. Such orphans can be divided into two categories – children who were orphaned because both their parents had died of AIDS and had no one look after them and elderly people over the age of sixty who had no one left to look after them. Obviously, Malawi needed huge resources to cope with this problem.

This is why the Government concluded that a holistic approach was needed to effectively deal with the HIV/AIDS pandemic.

In addition to the war Africa has waged against HIV/AIDS, Malawi has also fought easily preventable diseases, such as malaria, tuberculosis, polio, syphilis, gonorrhoea, measles, whooping cough and diarrhoea. The Government's guiding principle was to guarantee the provision of universal health as stated in the Millennium Development Goals and improve the rural and urban poor's access to basic health facilities.

PLANNING FOR THE YOUTH

We shall now discuss the need to get youth involved in the development process. We start by emphasising that a critical element of the regional capacity building discussed previously is encouraging the role, quality of life and participation of young people in economic and social transformation. This involves integrating youth in development, and empowering them and making sure they contribute in the decision-making and implementation of national economic development objectives and priorities.

One of the most fundamental aspects of economic prosperity is the guarantee of full rights to young people. In fact, the democratic reforms and significant reductions in abject poverty through sound macroeconomic governance discussed elsewhere in this treatise rest on how best to integrate the younger generations in the development process. Since youth make up the untapped human capital in both urban and rural economies, development programmes for poverty alleviation must result in helping young people engage in income-generating activities. The greater the number of economically empowered youth, the greater their effectiveness in programmes for poverty reduction.

It is useful to bear in mind that throughout the ages young people have made significant contributions to the political, economic, social and cultural advancement of Africa's nations. However, they have also been the least protected, the law rarely addressing their needs or guaranteeing their human rights. Even though young people are recognised as the backbone of rural economies and the informal sectors in most African countries, the creation of new job opportunities does not ensure social justice and equity. It is now generally agreed that the political rights of youth constitute part of the foundation of any democratic system.

Discriminating against youth in development programmes is a clear violation of their fundamental rights, cuts across civilised norms of governance, and is incompatible with democracy. Therefore, young people must be allowed to play an important role in promoting and strengthening democracy. They always seem to turn out in larger numbers at public rallies than grown men; therefore, their role in society should be fully recognised and their rights protected. Equally important is the need to promote and uphold the principles of equal rights and privileges among youth and create an environment that will favour their political and economic empowerment, as this constitutes the basis for human rights.

The rights of young people were universally recognised by the United Nations, and there are ample guidelines on the status of youth in the context of an emerging democracy. Therefore, in the democratisation process, human rights organisations in all African countries should fully involve youth in ensuring that their basic rights are respected. Furthermore, as the World Bank points out, general policies regarding youth do not adequately address their issues; therefore, specific actions must be taken. This should be achieved by addressing the inherent imbalances in the economic and social distribution of wealth so evident in Africa's societies. To that end, the World Bank urges governments to invest in youth, because the returns from such investment are very high and yield tangible results in improving the entire society.

We need to emphasise that 'by directing public resources towards the development of the youth, this would promote equality, greater labour productivity, a higher rate of human capital formation, and political stability of the African nations.'

In recognition of this, all African constitutions do guarantee the rights of youth to full and equal protection under the law and the right not to be discriminated against in any form on the basis of their gender or marital status. Youth of voting age have the right to enter into contracts, to acquire property independently or in association with others, regardless of their marital status, and the right to dispose of any property held jointly with a spouse. The difficulty arises in matching policy pronouncements with concrete action on the ground.

We can therefore point out that in order for multi-party democracy to take root in any country, there must be strong conviction and commitment by leadership to uphold the rights of youth and strengthen their capacity to contribute towards governance. Furthermore, governments must continue to intensify programmes for including young people at all levels of the decision-making process. It is equally vital that they be empowered in real terms, both economically and financially, through appropriate legislation, to contribute towards the design and implementation of economic and social policies and strategies at all levels of society. Furthermore, governments need to achieve an appropriate level of gender balance by allocating positions of responsibility in the professional and political fields.

One way to integrate youth in development is to listen to their concerns. It is our observation that youth's negative actions and attitudes quite often arise out of the feeling that no one is listening to them. In other words, African governments need to provide adequate platforms for dialogue so that young people know to what extent the laws protect them from exploitation and how the law is interpreted in day-to-day interactions in the social and economic fields.

The starting point is to recognise that building and strengthening the capacity of the youth to effectively participate in the design and implementation of programmes towards macroeconomic growth is both the function of policy and law. The cardinal principle is that economic and social power-sharing, co-ownership of democracy and bringing democracy to the people at the grassroots level require that all youth, regardless of their social status, be protected by the law from power abuse. This applies equally in national efforts to motivate rural communities to support democratic reforms through the greater participation of women in such reforms. It is useful to recognise that, in most African countries, over 70% of the population lives in rural areas where they play a pivotal role in economic performance. It is therefore logical to argue that the design of democratic institutions must be conceptualised, so that youth in these communities can effectively be integrated into the power-sharing framework.

We also stress that any form of discrimination against the girl child is a violation of human rights. In recognition of this, some countries also provide that any law that discriminates against youth is invalid and that new legislation should be enacted to remove such discriminatory practices which include sexual abuse, harassment and violence, discrimination at work and in business and public affairs. The cardinal principle of political reform is that democracy be reinforced by the rule of law, brought to the people in general, and to the youth in particular. This is crucial, because democracy without equal participation of the youth, who constitute future human capital, is hollow and meaningless. More and more believe that governments can achieve a faster rate of growth if the institutions for democracy allow for the greater participation of youth in decision-making.

A thorny legal issue that might arise in the enforcement of the rights of the youth and children in economic development is the interpretation of traditional property rights and the laws of inheritance. A similar legal issue that needs to be clarified relates to the role of the traditional chiefs in the village communities,

which form an integral part of the local government machinery, and how these are to be reorganised to pave the way for youth to be responsible for their actions in society. The process of empowering youth brings up some fundamental issues in democracy. For one, in a democratic dispensation, youth should be empowered to form organisations that safeguard their political, social and economic rights. Youth play an integral part in Africa's traditional relations and in the dynamics of macroeconomic growth. However, in some African countries, there is no common conceptual framework for participatory democracy based purely on traditions. These countries do not appear to recognise that a nation can attain higher levels of growth and development if youth participate and development evolves out of each country's cultures and traditions. They should look to the countries of South East Asia, Japan, South Korea, Republic of China (Taiwan), India and Malaysia, which attained phenomenal rates of growth in a relatively short period of time by involving all members of society and basing their development on their individual cultures and traditions.

In order to advance the case for youth participation in democracy, we must recognise that the younger generations should play an important role in the traditions of African countries. One of the main characteristics of sharing power with youth is that this offers a new way for youth to feel relevant. This is fundamental, because history has taught us that African nations can solve the problems of hunger, famine, and HIV/AIDS if young people are taught to be responsible citizens. This is important because the state machinery has recognised the importance of youth in spreading civic education. Traditional chiefs could also become involved in helping youth develop an interest in agricultural development and the transformation of the economy. For instance, young people might spearhead new development ideology aimed at combating poverty and diseases as a national challenge. Governments need to recognise that including youth at all levels of development would ensure the success of many programmes meant to emancipate them.

It has been observed that the cultures, societies, communities and tribes in Africa are bound together by what is commonly known as ethnic centralism in which the youth grow. By this is meant that each ethnic group teaches its youth to view democracy, good governance and development in a particular manner. This indoctrination, achieved through cultural assimilation and institutional reform, results in a positive or negative response to these concepts depending on the attitudes passed down from one generation to the next. Particular interpretations may be the result of African cultures having often been misunderstood or deliberately misinterpreted by other nations, causing youths to develop attitudes that either advance or hinder Africa's development.

To advance our discussion about macroeconomic dynamics, let us emphasise that rural folks, especially young people, learn to consolidate their power base by essentially working together and learning from their elders. This can be seen during social and civic functions, such as weddings, funerals, remembrance ceremonies, building or thatching houses, planting or harvesting crops. There has never been any scientific explanation for this, but this has worked well in many African societies as youth grow up to take their places in society. Therefore, for multi-party democracy to have greater impact on rural African communities, democracy must be packaged so youth see transitions as affecting all of society, not just particular individuals in society. Moreover, to convince youth that development is actually affecting them, there must be visible changes and improvements to their welfare.

The youth in every culture, community or tribe in a country are bound together by ethnocentricity, by which people in that society tend to view, assess and understand economic transformation and social change. It is important to introduce cross-cultural interaction among African youth to blend the various traditions as the basis for a new Africa. In that context, local authorities, including traditional chiefs, should use more youth to assist them in their responsibilities and to advocate for the people's feelings, hopes and expectations. Some observers would even go further to

argue that democracy will function better with the full participation more young people. Therefore, the consolidation of democracy and development should entail serious efforts to understand the role of youth as a growing reservoir of human capital and talent.

We can conclude that, in light of the new political and social order in Africa, the concept of multi-party democracy needs to be situated both in the traditions and in the communal aspects of society where youth play a recognised role. In order to reinforce democracy, development programmes must increase their allocation of resources to youth programmes and activities to engage more youth in productive and marketable ventures that increase their incomes and social welfare. If youth programmes are fully implemented, there is a better chance that democratic reforms will be understood and supported by the people.

This leads us to an equally important subject: the process of integrating youth in political development. This has acquired a new dimension, because democratic laws tend to clash with cultural and social norms in some countries. This is because democratic laws are a concept introduced from the West, so fundamental adjustments are required in the African social framework to enable the youth to participate and to feel that they are actually a part of the emerging democratic institutions. This calls for a new socio-economic framework that enables youth to release their energies in activities that increase their income and achieve a certain degree of economic self-reliance. There is therefore a need for a common understanding that the cohesiveness of African societies would be guaranteed if youth feel socially secure, and that this conforms to the customs of the African social framework as understood by the African people themselves.

The preceding analysis suggests that the extent to which youth understand the law also strengthens the roots of democracy. We must understand that youth are generally impatient with the slow pace of change and may want changes in legal institutions and social and economic infrastructures to improve the society

in which they live. They want democracy to create more jobs for them and to bring more food to their tables, better clothing for their children, and good houses for their families. It is important to stress therefore that the quest for better social welfare for youth cannot be achieved in a disorderly manner. It must follow agreed-upon principles. Decisions must be governed by the need to safeguard young people's interests and preserve the cohesiveness and integrity of the society as a whole.

The point to stress is that in order to guarantee participatory democracy at the grassroots level, youth must play a part in the social transformation. This is in recognition that young people make up a growing percentage of the people in need of facilities to create wealth in urban and rural communities. A link that binds the societies together is the realisation that youth are not always ignorant of the scientific advancements around them; they simply do not have access to modern technology and resources. A sounder social framework would be one where youth are empowered through adequate resources allocated to them for the acquisition of technologies suitable for their businesses. Similarly, youth involvement in the major decisions that affect them through appropriate representative bodies would encourage them to participate more positively in the development processes.

We can infer then that a critical element in the transition towards democratic reforms in Africa is the provision of new laws ensuring co-ownership among men, women and youth of the economic development processes and programmes so that the special needs of each group are incorporated in the national development programmes. To that end, the political leadership needs to reorient its understanding of good governance so that youth constitute an integral part of the paradigm. Although not clearly articulated, this would also form the basis for a cultural renaissance in and harmony among African countries.

THE LESSONS

From this chapter we have learned that the emerging policy options suggested in this chapter require two important conditions to be fulfilled. The first is that African governments re-instate national, regional and continental economic planning as a necessary component of growth resumption and poverty reduction. The second is that governments develop indigenous capacity to plan and design their development path. Without adequate national capacity, choosing an appropriate growth policy and investment priorities can be extremely challenging. In the past, the lack of innovative capacity resulted in economic derailment when for example a country chose a 'mono-culture' economy that depended mainly on tobacco.

More importantly, we have also learned that governments often slipped off the path towards economic growth when priorities became too cloudy, following intense pressure from the Bretton Woods Institutions to adopt governance methods without appropriate national planning frameworks to coordinate growth and development. Examples of this occurred when emphasis was placed on the social sectors and the so-called 'pro-poor' programmes without thought for where the goods and services to serve the poor would come from. This policy shift from economic planning to short-term SAPs and ESAFs, irrespective of whether or not they were 'extended' or 'enhanced', sounded the death knell for African economic prosperity. No one can deny that the African economic crisis is largely explained by a lack of sound assessment and forecasting, and this adversely influenced development paradigm choices.

In concluding this chapter, we point out the need for national and regional capacity for planning as the most appropriate and effective mechanism for poverty alleviation. The priorities identified in the preceding chapters offer African countries tremendous opportunities to kick-start the growth process. However, such capacity building must also involve the full participation of the private

sector in attracting huge global investment to increase production, generate wealth and create new employment opportunities for the people. African countries must move decisively towards full training in human resources management and utilisation. Attaining optimum capacity utilisation will not occur in a vacuum. Well-trained individuals are needed to receive and adapt modern science and technology for economic growth and development so that countries can move from poverty to prosperity. Therefore, to have effective control and ownership over the development process, local technical and managerial capacities are needed at all levels. This will also help reverse the civil society's attitudes so that foreign consultants are no longer perceived as superior to indigenous ones.

This applies equally to religious institutions involved in economic and social development, which also have a crucial role in assisting governments to strengthen national planning capacities. If all organisations and institutions engaged in economic and social development were to co-ordinate their training programmes, pool their resources and work in tandem, a great deal more could be achieved in national capacity building, even with the limited resources available.

Another important conclusion is that ECOWAS, COMESA, SADC as well as the rest of the Regional Economic Communities need to develop regional capacities for planning for development.
This will alleviate the problems many countries presently face in designing and implementing macroeconomic policies to rejuvenate and sustain economic growth while reducing poverty. We also wish to underscore that the responsibility for building regional and national capacities for development does not rest solely with the government. It also rests on the shoulders of every citizen, the private sector and the NGOs. Governments, through their development planning institutions, need to redesign appropriate policies and strategies that all players should follow. The donor community and international organisations, for their part, need to adapt and re-orient their combined knowledge, information and

resources to assist African nations to implement, monitor and assess their economic planning so that they may alleviate poverty.

We also underscore that the youth of Africa should no longer be marginalised in the development of political and economic institutions. In other words, youth participation should be linked with the willingness of the African people to rally behind economic reforms in general, and the democratic process in particular. Clearly this will depend, to a large extent, on the level of youth's understanding of the development programmes and priorities.

The civil society needs to agree that greater participation of youth in governance is an essential element of multi-party democracy. Youth will play a crucial role in Africa's cultural renaissance, rebirth and rediscovery, essential for the political, economic, cultural and social transformation of the African people. In that regard, providing a new role for youth is an important factor in the evolution of government institutions and for adopting a socio-economic framework where an entire nation participates. It will also ensure youth access to the economic, financial and social opportunities in their countries.

The best way for youth to participate in an African-style democracy is through programmes that take into account the welfare of young people living in both urban and rural communities. As such, the acceleration of youth development would best be achieved through a system that engages them in constant dialogue and consultation, a system that ensures their interests are addressed at each stage of the transition towards prosperity.

We have also learned that political and economic governance, as the basis for democratic transition, requires validation throughout the various levels of society. In charting African countries' macroeconomic growth path, we've discovered that positive action must be taken to ensure that youth become the 'seedbed' of democracy. This, as we have seen, will help governments decentralise activities so they reach people at

the grass-roots level. As youth becomes more involved in matters of national interest, there will be greater efficiency in resource allocation. In fact, research overwhelmingly favours the participation of youth at all levels of a socio-economic transition.

Another lesson we have learned is that all African countries believe that the foundations of democracy have been laid, but that a great deal remains to be done to fully transform global political systems into platforms for genuine consultation and dialogue. First, countries need to establish common principles for designing appropriate institutions for democracy. Then the world's leadership needs to recognise that, as sovereign nations, their governments have an obligation to work toward the kind of future their people really want to have. In pursuing this objective, conditions must be created so that representatives of all interest groups in the civil society may participate. Those in power must also recognise that democracy, like a fruit tree, must be properly watered, fertilised and nurtured until the system bears fruit.

The evidence gathered in this book suggests that the key to high democratic performance is to implement new policies for political and economic governance that focus on eradicating poverty in all its manifestations. For this to occur, the United Nations needs to adopt new macroeconomic policies to spearhead the mobilisation of adequate resources that will allow citizens to take charge of their economy, including land and financial institutions, and adopt strategies that will kick-start the growth process in order to create the new wealth necessary to sustain democracy. In that regard, Africa can be guided in the knowledge that the past is its inheritance, to cherish and learn from.

15

THE ROAD TO PROSPERITY

"The development and prosperity of a nation is not the result of an accident, but come about when that nation, through its enlightened and visionary leadership, using its own men and women, and harnessing the support of the private sector, designs and implements its own home-grown policies conscious of the imperative to move out of underdevelopment. The economic growth and development of any African nation will depend largely upon how such vision is understood by ordinary people, especially those living in rural areas. Such prosperity will come about when the nation can identify its natural and human resources endowment and decide to create new wealth so as to rescue its people from widespread abject poverty. This process of transformation will be enhanced when the economic policies effectively address the root causes of poverty and when the nation is able to produce enough food to eliminate hunger and malnutrition. The country must also be able to engender rapid macroeconomic growth and build the national capacity to generate sustainable growth through conscious economic management that produces new opportunities to generate sufficient incomes for the majority of its citizens."

(Bingu Wa Muthrika – Setting Priorities for Growth 2008)

THE QUEST FOR SUCCESS

In this chapter we shall trace the story of one country's quest for success. This is the story of Malawi. We shall begin by stating that in order to go anywhere, one must know where one is going and how to get there. In the same way, the definition of an appropriate set of priorities is critical in assisting any country to define a clear road map for achieving a faster rate of growth and to combat poverty effectively. Poverty is the greatest enemy of all African

nations and the main objective is to move out of the poverty trap in which many of our citizens find themselves. It is important for Africa to set the right priorities so as to attain prosperity at the national level while achieving the Millennium Development Goals under the United Nations. Malawi is carefully positioning its production and investment structures to meet the development needs of its people. This is because, faced with so many priorities, competing needs and limited financial and human resources, the Malawi Government found it imperative to establish development 'priorities within priorities' that are helping to launch the economy on the road to prosperity.

For the last decade, Malawi has managed to generate rapid growth that promised the breaking up of the 'vicious circle of poverty'. The African Dream is possible and realizable, as can be seen from Malawi's economic experience between 2004 and 2009. The first part of Malawi's economic success story came in the area of policy formulation. The policy framework to kick-start macroeconomic was outlined in the Malawi Growth and Development Strategy that was based on national consensus.

Firstly, the people agreed that Malawi was not a poor country; rather it was the people of Malawi that are poor. Malawians recognised that the country had huge agricultural and natural resources; these included fertile lands, rivers for hydro-electricity, irrigation and drinking water, four freshwater lakes for fisheries and aquaculture, mountains for tourism, and expansive valleys for cattle, goat and sheep ranching. The challenge facing leadership was harnessing these vast resources in order to create new wealth, attain sustainable growth in the economy and rescue the people from the 'poverty trap'.

The main thrust of Malawi's economic policy was to bring about prosperity through economic growth within a stable political and macroeconomic environment. Its primary focus was to implement an effective 'home-grown' economic policy mix with the goal of achieving low inflation, low interest rates and stable

exchange rates. This has been successfully achieved. The home-grown policy enabled the nation to assume full ownership of the development process. Malawians shared the belief that their country could resume economic growth fast enough to bring about prosperity, reduce poverty significantly and make life better for its people. They also shared a vision that their country would transform and gradually emerge as an industrial nation capable of adding value to its agricultural primary commodities, raw materials and minerals so as to create new wealth for the people.

This approach had also been adopted in other African success stories. To make this dream come true, the Malawi leader resolved to instil confidence in the economy and persuade Malawians to believe in themselves, that they could achieve macroeconomic growth and reduce poverty through sound financial management and fiscal prudence. In pursuing development objectives and priorities, the people accepted full ownership and determined to shoulder the responsibility for developing their country. The policy-makers further agreed to design and implement their own policies aimed at creating more jobs and redistributing income by promoting significant domestic and foreign financing and investment in agricultural processing, industrial production and manufacturing, thereby increasing the supply of goods and services for the domestic and international markets.

It is important at this stage to state that the country's economic philosophy is enshrined in the *Malawi Growth and Development Strategy* (MGDS), a very important instrument for achieving economic growth and poverty reduction. The main thrust of the MGDS is to ensure that the country's financial, economic, natural and human resources are utilised efficiently so as to create new wealth through the production of goods and services for both domestic consumption and export. To do this, the Government re-ordered its economic development objectives and priorities in order to determine where the country wanted to go and how to get there. This approach required the Government to design a sound economic planning system as well as appropriate economic and national development programmes.

Secondly, there was consensus that all people had an obligation to work hard to realise the vision and see the country resume macroeconomic growth fast enough to bring about prosperity, reduce poverty significantly, make life better for everyone, and transform the country from a predominantly importing and consuming country to a predominantly producing and exporting country. Consensus also emerged that for Malawi to become an industrial nation capable of transforming agricultural primary commodities and other raw materials and minerals into new wealth for the people, the people had to work harder.

Thirdly, Malawians agreed not to pursue 'macroeconomic stability' as a development policy. Malawi has never accepted the doctrine that an economy must be stabilised in order to grow. This would have been a contradiction in terms. Instead, Malawi adopted its own 'home-grown' policy that focused on achieving macroeconomic growth within a stable political and economic environment. The Government then set out to create a stable political environment through regular general elections and participatory democracy that guaranteed human rights, the rule of law and civil liberties. It also created a stable economic environment by ensuring low inflation, low interest rates and stable exchange rates. This policy resulted in increasing productivity and improving the supply of high-quality goods and services, increasing the country's export earnings and the creation of new job opportunities.

Furthermore, a national consensus was also reached that in order to achieve a faster and sustainable rate of macroeconomic growth, the country, given its scarce resources, needed to select a few priorities within priorities so that it might wrest the people from abject poverty. These top priorities were: (1) agriculture and food security; (2) irrigation and water development; (3) transport and communications infrastructure; (4) energy and power development; (5) integrated rural development; and (6) management and prevention of HIV/AIDS. The next several sections outline some of the country's major achievements during this period. As a result

of sound macroeconomic policies, tough decisions on reforms and strict fiscal discipline, the Malawi Government put the once distressed economy back on track.

With regard to achieving sustainable economic growth, everyone agreed that in order to create stable macroeconomic conditions to kick-start economic growth in Malawi, some fundamental policy reforms had to be introduced in the public sector. One objective of such reforms was to improve economic and political governance by instituting new systems for managing fiscal policy, public expenditures, domestic borrowing, interest rates, inflation and exchange rates. A second objective of these reforms was to create stable macroeconomic conditions for attaining sustainable economic growth, poverty alleviation and economic prosperity. This was achieved through sound economic governance, which created a stable macroeconomic environment for the economic growth and prosperity of the country.

The Malawi growth priorities focused on strengthening the Public Sector Reforms Management Framework, Performance Management System for the Civil Service, a comprehensive Capacity Development Programme and a National Service Charter. The reform programme also continued to consolidate the Medium Term Pay Policy, Human Resource Management Information System for the Public Service, Management Organisational Reviews of selected ministries, and the implementation of the Quick Impact Results Programme. These reform programmes focused on addressing issues of concern to public service employees, including remuneration and recruitment procedures. The programmes also focused on improving delivery of the essential public goods and services provided by government institutions, such as the Department of Immigration, Electricity Supply Corporation of Malawi and the Administrator General's Department. The National Service Charter Programme sets out the Public Service's commitment to provide the best possible standards for the citizens of

Malawi. The programme would be augmented by the Malawi Public Service Code of Ethics and Conduct, which will be implemented soon.

Malawi did very well in ensuring macroeconomic growth within stable political and economic conditions. In 2008 the economy maintained a single-digit inflation rate of 8.7% thanks mainly to increased food availability on the local market, a stable exchange rate and lower fuel prices on the world market later in 2008. Interest rates, that had once reached the high figure of 35% in 2003, dropped to 15% in 2008 and down to 13% in 2010. As a result, credit to the private sector increased from 30% of total credit to over 60% at present. As a result of the home-grown policies, Malawi achieved phenomenal growth rates over the period 2004–2009. In fact, Malawi was classified as one of the faster growing countries in the world.

As with other successful Sub-Saharan countries, Malawi started off in a difficult position. In the beginning of the 2003–2004 financial year, many donors had withdrawn critical budgetary support to Malawi following the International Monetary Fund‘s decision that the country's management of public finances was unsound. In response, the Government instituted new policy reforms and Malawi managed to win back the donor's confidence. Donor confidence in the Government continued to grow and aid flows from cooperating partners have since increased from K28 billion in 2004–2005 to K90 billion in 2008–2009, representing an increase of more than 220%.

The total public debt as a percentage of the GDP decreased from 123.9% in 2004 to only 19.9% in 2008. Malawi also managed to reduce its domestic debt from 25% of the GDP in 2004 to 11.5% in 2008. During the same period, foreign debt as a percentage of GDP dropped from 112.6% in 2004 to only 16.5% in 2008. This was a result of the country's qualification under the Highly Indebted Poor Countries (HIPC) which freed it from its massive debt burden, thereby releasing the much needed resources for poverty reduction initiatives.

With regard to the on-going financial and economic crisis, it became evident that because the Malawi economy has not been strongly linked to the global financial systems, it had achieved visible growth despite the adverse effects of the global financial melt-down. The crisis triggered a global recession that was already wiping out gains and erasing progress, especially in all developing African countries. However, sub-Saharan Africa was lucky in that the impact has been mild due to the financial sector not being fully integrated with the global financial market. However, in the medium to long-term, it was evident that the country would no doubt experience some adverse effects from the economic turmoil. For example, the slowdown in global demand may also be lowering the prices of the country's main exports, such as tobacco, cotton, sugar and tea. In response, the Government implemented broad-based and holistic strategies to minimise the adverse effects on the economy. The country has continued to build on the strong economic foundation that it had already established and maintain sustainable economic growth and development.

Looking at Malawi's successful experience, other African countries should re-examine whether 'macroeconomic stability' is really a viable policy objective for Africa and agree on alternative strategies for growth. In that regard, economists concur that it would be more useful to pursue macroeconomic growth rather than macroeconomic stability. As stated earlier, a contradiction exists in advocating stability and economic growth at the same time. Simply put, stability implies no change and indeed no growth. Empirical research shows that it would be make more sense for Africa's economic reform programmes to pursue growth than stability. In that regard, African governments might consider designing and implementing home-grown policies to ensure sustained growth and development.

FROM HUNGER TO FOOD SECURITY

In moving from poverty to prosperity, Malawi's primary success has been in agriculture and food security. Malawi has been able to transform itself from a country of chronic food deficit and widespread famines to one of surplus within a short period of time. In fact, the country was not only able to export food, but also donated ten thousand metric tons to two countries in Southern Africa. Malawi became a hunger-free nation and produced enough food for all. It was able to do this because the Government placed the highest priority on the development of agriculture to ensure food security. It clearly recognised that agriculture and food security was the number one priority, realising that without food a nation cannot be productive or even survive. In 2004, the Government pledged to make the country a 'hunger-free' nation, and this was achieved.

At the risk of stating the obvious, hunger and malnutrition constitute the biggest challenge facing national development agenda. All policy-makers in Africa agreed that governments cannot adequately empower the people without giving them enough food to eat. This can come about through the provision of improved agricultural inputs, such as seeds, fertilisers, insecticides, irrigation, extension services and marketing.

As an immediate solution to the food shortage, Malawi government distributed free food to the vulnerable poor – the elderly, children, people with disabilities, and those living in abject poverty, because it felt it was the Government's responsibility to feed the people. However, as a long-term solution, the Government shifted the focus of its policy towards enabling the people to grow their own food and feed themselves. This policy shift was guided by the old adage: 'Give a person a fish, he will be hungry again, but teach a person how to fish, he will never be hungry again'. The Government resolved not only to teach its people how to produce more food, but also to do it more efficiently.

Therefore, a new road map was devised to give high priority towards: encouraging dietary diversification to decrease over-reliance on maize meal by growing other food crops such as cassava, potatoes, rice, pumpkins, millet and sorghum; and, increasing food production through winter cropping and irrigation methods, using low-cost technologies. In its intervention, the Government was committed to supplying a large number of treadle and motorised pumps and sprinklers to increase food production. The Government also removed all taxes on staple foods, such as maize, beans, meat, rice, cassava, potatoes, and other food crops. Furthermore, it expanded and strengthened access to agriculture inputs by increasing the number of 'Starter Packs' in the 2004 planting season and subsequent years in order to reach more vulnerable individuals. The biggest boost in the productivity of smallholder farmers was due to reducing the price of fertiliser and agricultural chemicals to make them affordable for poor rural farmers. At the same time, the Government facilitated the establishment of credit co-operatives or village banks and provided financial support for the capitalisation of village-based credit schemes.

To further illustrate the point, the Malawi Government instituted the Input Subsidy Programme, which was implemented in 2005 and resulted in maize surpluses of 500,000 metric tons in 2005–2006, 1.1 million metric tons in 2006–2007 and 500,000 metric tons in 2007–2008. In the 2008–2009 season, the country produced 3.77 million metric tons of maize, representing a 36% increase over the previous year's production estimates of 2.78 million metric tons. This means that Malawi has registered a surplus of 1.32 million metric tons of maize that year, after taking into account the national maize requirement of 2.45 million metric tons annually.

In addition to maize production, Malawi also produced other food crops, including 135,000 metric tons of rice, 293,000 metric tons of groundnuts, and 499,900 metric tons of pulses. These are beans, pigeon peas, cow peas, field peas, gram, soya beans and

chick peas. Other food crop production figures include 3.7 million metric tons of cassava, 2.69 million metric tons of sweet potatoes, 775,000 metric tons of European potatoes, 60,000 metric tons of sorghum, and 26,000 metric tons of millet. In other words, Malawi has more food surplus than was generally predicted.

It is important to note that the people of Malawi now seem to be clear in placing their priorities in food and agriculture. The critical areas requiring special attention include: (1) immediate measures to strengthen national early-warning systems to deal with food security, e.g. crop monitoring, analysis of price trends, marketing systems, nutrition, emergency food reserves; (2) urgent announcements of food shortages and the establishment of machineries to deal with them as well as the establishment of national co-ordination mechanisms; (3) rehabilitation of agriculture to include incentives that will increase food and agricultural productivity, farm credits, agricultural inputs, extension services and marketing; (4) rehabilitation and strengthening of agricultural infrastructure for small, medium and large-scale irrigation schemes, rural access or service roads, and storage facilities; (5) rehabilitation and better utilisation of water resources for agricultural development, including existing wells, pumping systems, better water catchments and the utilisation of surface water and underground water systems; and (6) rehabilitation and resettlement of displaced persons.

In the medium and long-term, improvements in agricultural and food production would include the diversification of staple food crops production; development of small family livestock projects; soil conservation policies; application of appropriate technologies, especially rural technologies; and, the prevention of drought and desertification through reforestation. There is also the need to expand agricultural research to introduce better seeds and livestock, including research into the prevention of animal diseases. Special rural development and investment schemes also need to be initiated as policy instruments for increasing agricultural productivity.

In the light of the Maputo Consensus, the Comprehensive African Agricultural Development Programme gave high priority to the agricultural sector. It is hoped that donors will also increase resources to Africa, not for food imports from the G8 countries or for paying huge salaries and allowances to their consultants, but for increased food production in Africa. In that regard, President Barack Obama of the United States, in his address to the Ghanaian Parliament, made a welcome gesture in this direction. President Obama made an important development paradigm shift when he indicated that instead of sending food aid to Africa the G8 should assist African countries to produce more food. African governments, for their part, should also agree to allocate at least 20–25% of their budget to agriculture in the coming years if catastrophic famine is to be averted. Investment in agricultural support activities in other sectors – such as industry, transport and communications, energy, training, storage and distribution, and marketing – should also be increased if food and agricultural productivity is to be substantially increased. This is particularly pertinent in the development of agricultural inputs as well as agro-based industries.

Many observers agree that one sure way to generate growth in Africa is to create more wealth and employment by turning raw materials into finished products; for example, cotton into shirts and dresses; tobacco into cigarettes, pipe tobacco and cigarillos; groundnuts, coconut palm kernels and sunflowers into edible oils and oil for cosmetics; and, sugar cane into sugar, sweets, and other confectioneries. However, this requires African countries to open up markets and accept goods from other African countries.

In the case of Malawi, the Government ensured that sufficient budgetary resources were allocated towards agricultural development, fertiliser subsidies and seed inputs so that food production would outpace population growth. Following its great success, the Government will continue the fertiliser subsidy programme for some time to come. Malawi knew from experience that the poor needed to be empowered to grow more food, above

their subsistence. In addition to the subsidised fertiliser, the Government also made sure that adequate commercial fertiliser and seed maize were available on the market before the onset of the rains.

WATER FOR LIFE

Another success story in Malawi has occurred in irrigation farming and water development. The aim was to reduce the country's dependence on rain-fed agriculture and provide safe drinking water. Malawi for instance, has four lakes and over thirteen large rivers that run year-round. These are being harnessed to provide water to poor farmers for irrigation so they can grow enough food and cash crops to generate income. The Government accorded top priority to irrigation and water development and allocated substantial budgetary resources towards the construction of small and medium dams for irrigation. The Government believed that if Malawi could harvest maize and other food crops at least twice a year, then the people could permanently beat hunger and become self-sufficient.

The Malawi Government also intensified its efforts to construct large-scale multipurpose dams to provide electricity to rural areas. These dams, apart from generating electricity, also provided irrigation, piped drinking water to wider areas, and allowed fish farming that will improve nutrition for rural communities. All of this was designed to ensure that rural communities would be able to access power for the local production and processing of their raw materials. Rural communities were also encouraged to engage in water cropping by constructing community earth dams to hold water for year-round irrigation. It was hoped that over time the construction of these dams would result in raising the water table throughout Malawi, thereby ensuring that even dried-up boreholes produce water.

Malawi, like many African countries, is prone to the adverse effects of climate change. Therefore, in order to enhance food and agricultural production, the Government introduced the above-mentioned *Green Belt Irrigation Programme* to provide enough water for the development of small, medium and large-scale agriculture. The Programme will eventually bring up to 1,000,000 hectares of land under irrigation. This will significantly reduce the country's dependence on rain-fed agriculture and will completely change the economy, creating thousands of new jobs and new investment opportunities.

The Programme will utilise water from Lake Malawi and three other lakes as well as water from the country's constant-flowing rivers to enhance the country's production of a variety of crops that include maize, rice, wheat, legumes, beans, peas, sunflowers, and sugarcane. Special attention will be given to increasing the production of rice, wheat and legumes in order for Malawi to assist in alleviating world food shortages. The Programme will also focus on livestock as well as fish production.

Furthermore, in order to increase access to potable water and sanitation services and improve water resource management, the Government has provided potable water to hundreds of thousands of people under the National Water Development Programme. More than 30,000 people have benefited from the Urban Water Supply Programme alone. The Government has also increased water storage capacity in one major city by constructing four tanks and several water projects, such as boreholes, earth dams and smallholder irrigation projects.

DEVELOPMENT FOR THE RURAL POOR

Another of Malawi's success stories is the empowerment of the rural poor, which make up over 70% of the total population. One of the country's top priorities was to bring development to the

rural communities. There was complete agreement in Malawi that an effective way of fighting poverty is to empower the rural people through income-generating activities. The Government therefore identified and promoted Rural Growth Centres. Each centre was to receive a good tarmac road, piped water, electricity, a police station, bank, post office, hospital, secondary school and community hall.

After many years of experience empowering the rural communities of Malawi and other countries, Malawians agreed that an integral part of private-sector reforms should be to shift the development focus to rural communities. Rural areas form the battleground in the war against poverty, because a larger percentage of the people in rural and peri-urban areas continue to live in abject poverty. Many of these communities have no access to basic social amenities, such as clean water, health services, decent housing and good sanitation.

An important aspect of the success story was that the country's Governments were determined to transform rural areas by implementing policies specifically designed to balance economic and social prosperity between urban and rural areas. To that end, the Malawi Government created a special Rural Development Fund (RDF) of about USD3.6 million specifically to provide soft loans to indigenous Malawians, to enable them to start new businesses or to expand existing ones. In order to make such a fund more effective in alleviating poverty, special priority will be given to the poorest households in the urban, peri-urban and rural areas facing tremendous economic and social problems.

An important commitment of the Malawi Government had been to take development to rural areas in order to spread development to the poor, a key strategy for eliminating poverty. The Government therefore introduced the Integrated Rural Development Strategy (IRDS) in order to provide basic social and economic infrastructure as well as open markets for rural products, improve agricultural production for agro-processing

industries, promote rural industries, and provide rural financial services to support economic activities. The policy's goal was to directly empower rural farmers to add value to agricultural and other products from village communities. This would in turn create a new system of economic and financial governance giving more power to local leaders in the communities and ensuring that rural people take control over their own destinies.

It is important to underscore that the country's Governments recognise that people in rural areas are trapped in poverty for long periods of time, that they have the right to enjoy the fruits of prosperity and good food, houses, clothes, schools and hospitals. In the past, no specific programmes ensured that development went to rural areas. The goal is to provide these centres with the same facilities available in the cities and towns. These amenities will spur development and investment while also encouraging voluntary relocation of people from cities to these centres. Such relocation will in turn reduce the pressure on social services in the cities, services such as security, schools, hospitals, water, sanitation and food. In addition to providing these basic social facilities, Malawi decided to establish new rural industries to promote value addition to agricultural products. These are also supported by the One Village One Product (OVOP) Project, developed in the Oita Prefecture of Japan and funded by the Japanese International Cooperation Agency (JICA). The OVOP Programme proves that direct support and training to small village enterprises can produce agricultural products, such as juices, canned foods, bakery goods, pottery, woven materials and confectionery goods, all of which are beginning to play an important role in the lives of the rural communities.

The integrated rural growth centres are a reality. With the assistance of cooperating partners, the Malawi Government has already established three growth centres where the programme included the construction of road networks and markets in several districts of Malawi. One growth centre has already benefited from the construction of an ultra-modern

hospital, staff housing and a District Assembly office complex. The second phase will include the creation of seven more growth centres across the country.

TOWARDS GOOD GOVERNANCE

Malawi has been classified by some donors as one of the best-managed economies in Sub-Saharan Africa. Faced with incessant and growing poverty, Malawi had voluntarily opted to undergo deep and extensive policy reforms to wrest the country from what seemed to be perpetual underdevelopment. Through extensive public awareness and civic education interventions, Malawians recognised that the country was in the middle of a war against poverty, hunger and deprivation. Interest rates were high and unsustainable, making it difficult for small and medium-sized indigenous enterprises to borrow and service their loans. This effectively priced them out of the market, as they could not afford to borrow at prevailing rates.

Another policy intervention was to manage exchange rates that were unstable and inflation which was very high. This instability was partially explained by the country's inability to institute fiscal discipline and reduce public expenditure. Furthermore, the domestic debt was unsustainable and eating away resources, thus inhibiting growth. In order to get out of this poverty trap, the Government adopted effective policies that significantly reduced public expenditures, especially ordinary recurrent transactions, and curtailed domestic borrowing through stronger fiscal discipline in the allocation, utilisation and accountability of resources at all levels of public expenditure. It also reduced government borrowing through Treasury Bills and other short-term instruments that encouraged unproductive public expenditure.

Research conducted in Malawi and in some countries confirmed that an integral aspect of the road map for prosperity

is reforming the civil service. The main objective here was to introduce better conditions of service and improved salary structures, especially for lower-level officials. The country also needed to adequately equip civil servants to become more efficient, through training and upgrading skills, professional guidance and motivation. The programme was based on the conviction that a well-motivated civil service could become more professional, patriotic and efficient in designing, implementing, monitoring and evaluating national development projects and programmes.

Another important aspect of economic reform was to stamp out corruption, the enemy of growth and prosperity. It was agreed that corruption robs both the government and the people, especially the poor, of their legitimate right to economic prosperity by diverting resources away from economic and social development into the coffers of a few individuals. Therefore, the Government instituted stiff measures, through a 'zero-tolerance' option, to eliminate corruption by implementing among other things the following: (1) clear 'performance criteria' and 'benchmarks' by which Government spending would be regularly audited and validated by independent auditors; (2) an efficient system of financial management and monitoring of the allocation and utilisation of all resources so that fraud could be detected as it occurs in a project or programme cycle, which would allow prompt measures to be taken to address the situation; and (3) the swift investigation, prosecution and punishment of all public officers found guilty of corruption, theft, mismanagement, and abuse of power in all its forms. Measures to strengthen the institutions for managing public funds, such as the offices of the Accountant General, the Auditor General, the Public Accounts Committee and the Anti-Corruption Bureau, were passed to ensure that officials and politicians entrusted with public funds acted in a transparent manner with regard to the utilisation, reporting and accountability of public funds.

One major policy reform of the African governments was to look at the country's prosperity through the eyes of the private

sector, because the road map to prosperity dictates the need for effective private-sector participation through the creation of an enabling climate for domestic and foreign direct investment. In that regard, Malawi believed that the way forward is to promote highperforming small, medium and large-scale entrepreneurs to transform production structures. This would lead to the creation of new job opportunities and increases in local and foreign investment in both the productive and service sectors. The Government thus opened up new windows of opportunity for the people to take full charge of the economy and investment decisions. This necessitated reforming and restructuring institutions for production, manufacturing, distribution and trade so as to increase the production of goods for the domestic and export markets. Such reforms will result in the creation of new jobs, thus reducing poverty.

It is important to mention that the Malawi leadership built a consensus around the recognition that reducing poverty called for focused private-sector reforms aimed at creating an enabling and conducive environment for entrepreneurs to respond to Government policies and programmes for the country's industrialisation. As an important element in the creation of this environment, the Government also implemented the Public Sector Investment Programme (PSIP), intended to promote the private sector's investment in development infrastructures, such as roads, railways, airports, bridges, irrigation, telecommunications and energy.

In moving from poverty to prosperity, many African countries had learned that an important element of success is donors supporting national efforts to create an enabling environment for all people to work towards a framework for economic and social transformation. Therefore, it cannot be overemphasised that democracy embodies patience, tolerance and understanding, and the acceptance that wrongs done to any citizen must be redressed. Furthermore, the design of donor policies must be made through dialogue, consultation and consensus with those to whom aid is

directed. People want to see confidence restored in the institutions of democracy – the courts, civil service, police and the army. These must have adequate financial and human resources so they may provide the high level of 'professionalism' expected of them. Similarly, people want to see balanced development, where all regions in any country receive their fair share of development programmes and projects as well as investment.

The new dimension of the African dream is to recognise that internal security and peace are necessary if Africa is to attract an adequate transfer of resources from the industrialised to the African countries. All experts agreed that where there is no security, anarchy breeds further financial instability in sovereign nations, both rich and poor. It was therefore agreed that every citizen, diplomat, foreign or local investor, and every visitor should have full protection, and that governments should allocate adequate resources to ensure that security was guaranteed. In this regard, it was a matter of concern that thieves, robbers and murderers are allowed to hold countries to ransom. People throughout Africa wanted to feel free to move about and invest without fear that someday they might be gunned down by terrorists because the system does not have adequate internal security. Moreover, the African people found it utterly inexcusable for some countries to secretly provide arms to individuals in Africa, including foreign elements, for the purpose of causing terror and fear among the people.

The issue of diversifying the economy as a way forward also featured prominently in Malawi's reform programmes. At the African level, there is general concern that a judgment error occurred in the past when countries decided to depend only on a few commodities like tobacco, tea, coffee, cocoa, and copper for the major portion of their export earnings. This made countries like Malawi and Zambia vulnerable to external pressures and intrigues orchestrated by unscrupulous foreign firms. This also resulted in the countries becoming chronically dependent on donors for budgetary support. In light of this, a national consensus was

reached in Malawi that the country should diversify in order to lessen its dependence on one agricultural commodity to drive the economy. There was also a consensus that Malawi needed to break into global markets by diversifying industrial production and manufacturing in order to increase exports of high-quality goods for the domestic and international markets.

There was also broad agreement in Malawi on the negative impacts from the vagaries of globalisation on the economy. Therefore, the Government began diversifying the economy by establishing a 'basket of commodities' that initially included cotton, tobacco, sugar, tea, rice and paprika. This meant that Malawi would anchor its macroeconomic growth on the performance of these commodities in the international markets. The cultivation of other cash crops – such as coffee, groundnuts, cassava, sweet potatoes, sunflowers, and macadamia nuts – would also be encouraged in order to increase export earning capacity, thus guaranteeing the national currency's stability.

EDUCATION REFORM

The main thrust of Malawi's education strategy was to ensure that such education was relevant and responded to the development needs of the country. The government decided to establish a number of new universities across the country to produce more scientists, technologist, medicals doctors, engineers, environmentalists, agronomists, economists, educators, etc., in order to push forward the national development agenda. Consultations with experts in the field of education had revealed that a good educational foundation will determine an individual's performance in their career and business later on. For this reason, the Malawi Government continued to provide free and quality primary education, allowing many children whose parents are poor to become educated. The Government recognised that the phenomenal increases in children attending school have

created other problems, including a shortage of classrooms and teachers, a lack of adequate teaching and learning resources, and challenges in motivating students to work harder and excel. However, Malawians were convinced that they had made a good start towards reducing illiteracy in the country. The Government has also put in place appropriate policies to address the teething problems in the education sector.

Another policy decision was also made to introduce reforms in the education sector that respond to the country's changing macroeconomic realities. First, changes were introduced in the school curriculum so that students would receive training, even in primary and secondary schools, in business rather than simply preparation for white-collar jobs. Second, in collaboration with private educators, business studies were introduced alongside on-going vocational training, specifically geared at preparing children at an early age to become business-oriented.

High priority was given in Malawi to the development of more institutions of higher learning. In particular, the Government felt a need to establish new universities to increase the enrolment of secondary school leavers in the country's universities, thereby building new capacities for development. In that regard, the Government adopted a conscious policy aimed at adapting science and technology for macroeconomic growth in Malawi. High priority was also given to locally based research institutions to adapt and utilise science and technology specifically designed to convert agricultural primary commodities, minerals and other natural resources into new wealth. To that end, the Government provided research grants to selected local institutions to develop new food products from maize, millet and sorghum, so as to diversify dietary habits.

An equally exciting effort in capacity building was the adoption of deep educational reforms that introduced science and technology as academic pursuits to sustain the country's development programmes and priorities. The Malawi Government

recognised that education, science and technology are the cornerstones of any national socio-economic development effort. The Government has implemented several measures aimed at improving the standards of education in the country, which had plummeted between 1994 and 2004. Thus, with assistance from the World Bank and other donors, the Government has also continued to implement the 'Education Sector Support Programme', resulting in a sustainable supply of basic learning materials to schools.

The main components of this programme included the provision of basic health medicines and a nutrition package to primary schools; training of primary school teachers; and, the rehabilitation and construction of several new public universities. With respect to secondary schools, the Government constructed 42 girls' hostels in 10 secondary schools and provided scholarships to approximately 5,000 students. The Government also rehabilitated the old secondary schools of Blantyre, Dedza, Lilongwe Girls and Mzuzu, all established during the colonial era. In addition, some 230 science teachers and nearly 400 English literature teachers were trained in a period of just four years. The Government also completed the construction of a Teachers Training College with a capacity for over 500 students.

Some of the activities that the Malawi Government initiated included the upgrading of 29 Community Day Secondary Schools, the rehabilitation of administration blocks, classrooms and laboratories, the construction of 1,000 houses for teachers, and upgrading dining and recreational facilities at selected secondary schools and at the Chancellor College of the University of Malawi.

With regard to tertiary education, the Government reviewed the curriculum for technical and vocational education and rehabilitated workshops at seven technical colleges to align them with the new and emerging technology. The Government also conducted a curriculum review for higher education to ensure relevance of programmes to labour market requirements.

Since 2004, Malawi has been successful in the area of empowering women by enhancing their access to higher education. Several women have been appointed to high policy-making positions in the Government. By 2009, the positions held by women included Vice-President, eleven Cabinet Ministers and Deputy Ministers, Attorney General, Clerk of Parliament, Chairperson of the Malawi Electoral Commission, Director of Nutrition and HIV Management, Director of Relief and Rehabilitation, Chairperson of the Human Rights Commission, Second Deputy Speaker of Parliament, Deputy Government Chief Whip in the National Assembly, and eight Ambassadors and Deputy Ambassadors. There were no fewer than forty-two women Members of Parliament, the highest number of women parliamentarians in the history of Malawi.

As the way forward, the Government gave high priority to addressing the problems of gender imbalances in education and in the economic and social sectors. It is unequivocally committed to removing all forms of discrimination against women that prevent them from fully participating in the transformation of the country. Therefore, concrete programmes were instituted to: (1) strengthen policies that remove obstacles for women and girls in pursuing education and improving skills; (2) consolidate the Girls Attainment of Basic Literacy and Education (GABLE) project by introducing new and more innovative programmes that will keep girls in school and help them excel; and (3) build more girls' secondary boarding schools to increase the number of girls who have access to higher education.

The Government was fully conscious that the marginalisation of and discrimination against women in the development process was not compatible with the new reforms. Similarly, it was recognised that women have an important role to play in the political, economic and social transformation of the nation. Accordingly, the Government intensified programmes aimed at eliminating illiteracy, underemployment and the exploitation of women. In fact, strong laws had been enacted governing women's rights, inheritance and

ownership of family property and real estate after the death of a husband. The Government had also enacted concrete measures to stamp out the practice of property grabbing by the husband's relatives. Furthermore, laws now exist aimed at stopping violence against women, rape, sexual abuse and the harassment of women and girls at home, school, work and on the streets.

In the areas of business and trade, the Government had empowered women financially by increasing their access to cheap loans through instruments like the Malawi Rural Development Fund (MARDEF) and the Malawi Social Action Fund (MASAF). These special business and investment schemes will help women fully participate in the country's economic transformation. Similarly, women were given training in organising and managing business ventures.

MALAWI REFORMS

Malawi has since 2004 been classified as one of the best democratically managed economies. Part of this success is because Malawi defined ‘democracy to mean a system of governance whereby decisions of the majority are carried out while at the same time safeguarding the legitimate interests of the minority’. For a period of six years from 2004, no person has been detained for political reasons in Malawi. Malawi also defined good governance to embrace, among other things, the use of democracy as the basis for dialogue with all agents of change; tolerance, understanding and acceptance of those with differing opinions; the design and implementation of a development strategy that can pull the poor out of the poverty trap; effective management of external debt; and, the implementation of economic reforms aimed at achieving sustainable growth and development. Furthermore, the Malawi leadership recognised that good governance called for a transparent government accountable to the people. It also calls for a government run by men and women with clean records

and who are committed to rendering impeccable service to the country and its people.

Based on this definition, Malawi recognised that, in order to realise the African dream, the people must truly believe that although the foundations for democracy at the national level have been laid a great deal remains to be done to fully transform the global political systems into platforms for genuine consultation and dialogue between rich and poor nations. It is important to state that, although the Government had an absolute majority in the National Assembly, no citizen or institution would be denied their rights to participate in the political process.

Therefore, as a broad lesson, we suggest that African governments need to agree to some common principles for designing appropriate institutions for democracy. Un that respect the world's leadership should be guided by recognition that, as a sovereign nation, each government has an obligation to determine the kind of future its people really want to have. In pursuing this objective, conditions must be created so that representatives from all interest groups in the civil society may participate. Those in power must also recognise that democracy, like a fruit tree, must be properly watered, fertilised and nurtured until the system bears fruits.

The above observation is based on available evidence suggesting that the key to high democratic performance is the implementation of new policies for political and economic governance that focus on eradicating poverty in all its manifestations. For this to occur, the United Nations needs to assist African governments in adopting new macroeconomic architecture to spearhead the mobilisation of adequate resource inflows into Africa. This would help citizens take charge of their economy, including land and financial institutions, and adopt strategies that will kick-start the growth process and create the new wealth necessary to sustain any form of democracy. In that regard, Africa can be guided by the knowledge that the

past is its inheritance to cherish and learn from; the present is its obligation to manage with great wisdom and dexterity; and, the future is its challenge to face with great courage, commitment and determination.

More importantly, it must be stressed that Malawian leadership accepted the people's desire to have a government capable of restoring internal financial security, peace and stability. This is the *sine qua non* for sustainable growth and development. The expectations are to reassure the civil society that their homes, families and businesses will have full protection from vandalism, theft and armed robbery. It is a matter of grave concern that murderers rob the people, not only of their lives and properties, but also of their capacities to develop. In this regard, it must be stated that in the past Malawi had become a security risk when there were atrocities, brutalities and murders committed by politicians. These left deep scars in the hearts of the electorate.

We need to stress that development financing is the bedrock of sustainable democracy. All people must have a say in how power is distributed among the various power brokers. There is growing consensus that the principle of 'winner takes all' is alien to Africa's tradition and cultures. Politicians, analysts and scholars of many disciplines, as well as the civil society in African countries, appear to agree that the people, having freely chosen multi-party democracy, must exercise great care in selecting political leadership that will unequivocally guarantee that all stakeholders work together in harmony to ensure that no country in Africa slides back into a one-party dictatorship. It is also generally agreed that democracy requires the capacity to heal the wounds of hatred, mistrust and intolerance and the capacity to unite all peoples regardless of tribe, race, colour, and creed. There must be greater tolerance and understanding of those holding different views and to ensure that the emerging democracy is sustainable. That being the case, the Malawi leaders made firm commitments that there would be no place

for dictatorship, authoritarianism or tyranny in the country.

It must be pointed out that Malawi was once one of the countries in Africa where there were no guarantees for freedom of the press and expression. However, the new political dispensation brought about full recognition of human rights, the rule of law, and other fundamental freedoms as foundations for good governance. In that regard, the protection of every citizen's right to participate in the democratic transition and in the economic growth and development of the country has also been safeguarded.

We also need to point out that although the Government had an absolute majority in Parliament, all people, regardless of their financial or social status, had unimpeded access to justice that is timely and fair. Similarly, the rights and privileges of women in the political, economic and social fields is an important aspect of democracy. The Government is enforcing laws against all forms of discrimination against them. Laws have been enacted governing women's property rights and inheritance as well as governing the ownership of family estates after the death of a husband to permanently stamp out the practice of property grabbing by relatives of the deceased husband. Furthermore, the Government plans to strengthen and enforce laws aimed at stopping violence against women, sexual abuse and the harassment of women and girls at home, at school, in the workplace and in any other place.

MANAGING CLIMATE CHANGE

The government of Malawi recognised that climate change had become a real threat to development and poverty alleviation, not only in Africa but worldwide. In Malawi, climate change posed a special challenge, because agriculture is largely dependent on rain. The Malawi Government has therefore resolved to include climate change as one of its top development priorities, so as to safeguard the social and economic gains we have achieved

thus far. Malawi had also intensified measures to monitor weather trends and early warning systems for adverse climatic change and to adapt development programmes in the agriculture, water, energy, human health, fisheries, wildlife, forestry and others.

In forest resource conservation efforts, the Government decided to continue implementing measures to improve the sustainable use of land by controlling land degradation. The Government also encouraged rural communities to plant trees along river beds, mountain slopes and in ravines and gullies to reduce soil erosion. In the 2008–2009 National Forest Season, some 300 million trees were planted and approximately 72% of them have survived. This increased considerably the number of trees and contributed towards the reforestation of the country.

TOWARDS VALUE ADDITION

Malawi, as is the case with some sub-Saharan countries, had not generally been successful in establishing processing and manufacturing industries. Unlike the industrial development of Europe, the United States of America, Japan and in the South East Asian countries during the post-war period, Malawi continued to be the supplier of agricultural and other primary commodities in exchange for imported goods from Europe. The same can now be advocated for African countries, many of which have made remarkable achievements in industrial development over the past three decades. As a non-industrial nation Malawi between 2004 and 2009 made some progress towards producing a limited range of good through agro-processing. However, the mining industry now has new opportunities for private-sector investment and has registered significant growth in the financial year that just ended. Among the notable achievements was the commissioning of the Kayelekera Uranium Mine in the Karonga District by the Paladin Company of Australia. Besides creating employment, the mine is expected to bring in between USD150 and USD200 million per year

in revenue to the economy. The Government will therefore continue to create a conducive environment to attract more investors to the mining industry. In fact, a feasibility study is underway for the multi- element deposit of niobium, tantalum, zircon and uranium at Kanyika in the Mzimba District. Another feasibility study was carried out at the Chenkumbi and Chilipa limestone deposits in Balaka and Mangochi for the production of lime and cement.

With regard to other forms of industrialisation, the Government decided to increase export earnings from tobacco by adding value to it through the processing and manufacturing of cigarettes, pipe tobacco, snuff, cigars and cigarillos. This was also designed to create new jobs for the people. The sugar industry was also in need of a boost and will receive increased investments in sugar production and better processing technologies so that Malawian sugar continues to meet international standards. Similarly, the tea industry was reviewed and reorganised to contribute more positively to the economic prosperity of the people. The Government plans to facilitate and attract new investments while improving the quality of Malawian tea exported to the international markets.

KNOWING WHAT TO DO

The Malawi success story referred to in this chapter was based on a nation believing in itself, believing that it has the ability to bring about change. Consensus has also emerged in other parts of Africa that concrete measures must be initiated to kick-start the growth process so as realise the African dream. Firstly, the Malawian government needed to better manage its economy. It also needed to reduce its heavy dependence on donor funding to support national budgets, because this tends to limit a government's freedom to choose policy. In that regard, a new African pact must be reached with the United Nations, the World Bank, the International Monetary Fund and all the multilateral and bilateral

aid agencies and donors to ensure that the ODA and other forms of investment are re-oriented towards resuming macroeconomic growth in Africa and not towards financing balance of payments on imports from the North into African countries. Such a pact must take into account the lack of income-generating productive and manufacturing sectors, something that has kept large populations chained to poverty.

The important lesson we have learned is that Africa has a lot of potential to alleviate poverty and underdevelopment, potential that has not yet been recognised or utilised. It has vast combined resources that can rescue many people from pervasive poverty. In that regard, we have emphasised economic and political integration as the best way to use Africa's collective strength and find the concrete and practical solutions necessary for growth. Therefore, African countries should strengthen regional integration as the basis for achieving growth, social equity and creating new income-generating large-scale investment. That said, we must remember that each time Africa exports a bale of cotton or tobacco, or a ton of tea, paprika, groundnuts, cocoa, wheat, timber, bauxite, copper, aluminium, zinc, or other mineral to be processed outside the continent, it also exports jobs and is therefore creating unemployment in African countries.

The other important lessons history has taught us is that despite gallant efforts to alleviate poverty, many African countries remain imprisoned in the worst economic crisis they've experienced since independence. After reviewing the nature of the development crises African countries are experiencing, we can conclude that given their resources the people should not be as poor as they currently are. This conclusion challenges Africa to alleviate and eventually eradicate poverty, because it can be done. It calls on governments to reorder their development policies so they can enhance the economic growth process that will really alleviate poverty.

To achieve this, African policy-makers believe, as Malawians

did, that the continent can develop and achieve prosperity for the majority of the people. In that regard, the African people must resolve to work hard together in order to advance economically and socially. This calls for the design of an appropriate macroeconomic development policy and best practices that can address the obvious conflicts in the socio-economic architecture needed to escape the poverty trap. This has been difficult in the past, because ever since the Scramble for Africa, political, economic, and social power as well as power over information have resided in the hands of the G8 and OECD countries, while Africans have always remained marginalised in governance decisions that directly affect them. Nor has any real sharing of power occurred between the developed industrialised countries and Africa. In other words, the partnership between the North and Africa is still that of 'a horse and rider'.

The third lesson relates to the need for capacity building, especially that of the youth. The young people in Malawi, like youth in all African countries, constitute a huge and growing reservoir of human skill and talent as well as new sources of national leadership. Therefore, youth development is one of the Malawi Government's top priorities. In the 2008–2009 financial year, youth were empowered to contribute to the socio-economic development of the country. Specifically, the Government trained 390 youths in vocational and entrepreneurial skills and 1,553 youths in life skills. These young people were provided with start-up tools to empower them economically. Two National Youth Development Centres were rehabilitated and 90 youth networks based in Traditional Authorities were established. In response to growing youth unemployment, the Government established a Youth Entrepreneurship Development Fund of over USD215 million to provide soft loans to those youth who otherwise would not qualify for commercial loans. The fund will provide start-up working capital for any business venture initiated by a young person. In addition, they will receive practical training in vocational and entrepreneurial skills and be provided with tools to help them start their own businesses.

We have observed that Malawi learned bitter lessons, namely that Western-style democracy does not guarantee automatic power-sharing and requires the leadership in both developed countries and in Africa to be committed to seeing there is justice and fair play. We have also learned that the G8 countries support those leaders that sing their song, whether or not there is an abuse of power. Indeed, in some African countries there is little political accountability, even under multi-party rule. Therefore, if history is anything to go by, we have also learned that the collapse of a political system may be precipitated by the lack of powersharing.

For instance, after only a few years of multi-party democratic governments in Malawi, people became apprehensive because their expectations of sharing in economic prosperity never materialised and hopes of a better life faded on the horizon. It is imperative to reverse this loss of faith in politicians and in the political system that has manifested in voter apathy in subsequent general elections. The system for choosing leadership and political representatives must also be perfected, so that those who go to Parliament are fully committed to working for the people who sent them there and not merely for their personal interests. The reality is that African countries are still learning how to manage the multi-party system of governance that can bring about justice and fairness in sharing prosperity with all peoples. Another challenge is for political leaders to resist the temptation to remain in power indefinitely and manipulate the very system that brought them to power.

Another conclusion is that good governance presented a major challenge for Malawi leadership, partly due to the absence of a common global definition of what good governance really means and partly due to the prevalence of corruption in high places both in the government and the private sector. It was thus recognised that resuming economic growth and fighting against poverty cannot be achieved without first eliminating corruption. It was also apparent that one of the challenges Africa will continue to face is strengthening the system and methodology for

political and economic governance. This had to include creating mechanisms to protect domestic industries from the activities of the more advanced industries from the North. For one thing, donors can never be pinned down to categorically state in which direction their policies for Africa are headed, as they do for Eastern Europe and South East Asia. As a result, the North has always been free to change the rules or even the goal line when it does not want to assist a particular country. For instance, in the case of Malawi, the negotiations for funding under the Millennium Challenge Account dragged on for over five years, just because the Malawi leadership insisted on national self-determination in selecting the projects to be included in the project.

This is common in that all African leaders and policy-makers are often left speculating about the contents of future aid packages. This is made worse by donors' reluctance to finance industrial production, agro-processing and manufacturing in Africa. This also frustrates African countries' industrialisation efforts, especially their transformation from a producer of primary commodity exports to an exporter of manufactured and processed goods, which would increase added value for their commodities. Evidence also shows that foreign investors have a considerable advantage over national entrepreneurs in creating wealth through the manufacturing and processing industries.

It is also true that most donors impose one condition after another on African governments as an excuse to shift their commitment to another African country, even when the government has fulfilled all the conditions. In such cases, the concerned country has no redress except to wait for a change of heart in the so-called development partner. It is for this reason that some observers wonder if the reward of increased aid to Africa is worth the sacrifice made in externally imposed policy reforms. The truth is that African countries will for a long time to come live with the reality of unjustified conditions for continued donor support. Donors will continue to influence African decisions about where to spend resources,

where to invest, for what purpose and in what amounts. Donors will also continue to influence Africa's governance decisions, the flow of foreign direct investment, and hence the democratic framework in Africa.

We need to state however that despite the above challenges, everyone agrees that good governance, no matter how it is defined, is the *sine qua non* for resuming growth in Africa. The African people also believe in guaranteed human rights, fundamental freedoms and the rule of law as the foundation of democracy and good governance. They fear that globalisation violates Africa's rights to prosperity to the extent that global firms exploit African resources without giving anything back in return. It is the hope of the African people that world bodies, such as the United Nations, will guarantee that human rights and civil liberties are not violated in Africa by making sure that multinational companies operating in Africa wear a human face. They argue that globalisation should result in distinct and visible benefits in the form of rapid economic growth and development. Political and economic rights abound where political leadership avoids becoming so power-hungry that it does not honour pledges made during election campaigns to uphold human rights and guarantee civil liberties. Indeed, a problem that has arisen due to the absence of power-sharing arrangements has been that no policy exists to ensure that all sections of the society are consulted in decisions affecting their future.

A further observation is that multi-party democracy does not flourish where human rights are violated. Therefore, in order to strengthen institutions for human rights, political leaders should avoid the temptation to trample civil liberties simply to protect their political party at the expense of others. This is important because differences in how such powers are perceived and understood affect how it is shared and managed. This partly explains the differences in the conceptualisation of power and how to share it under the 'Government of National Unity'. Many observers therefore believe that good leadership should never feel threatened by a healthy debate to resolve the question of human

rights. Similarly, a good leader will not be reluctant to leave office when the law requires him to do so.

THE LESSONS

Malawi is one of the countries where the African dream of moving from poverty to prosperity has a fair chance of being realised. However, the dream is often frustrated to a large degree by the imposition of liberalism by the North against the better judgement by Malawi policy-makers. In devising the new institutional framework for good governance, economic liberalisation does not help African countries in their efforts to integrate their economies so as to control the science and technology necessary to transform their huge resources into wealth. In recognition of this, the African Union has decided that effective measures should be taken to ensure the interlinking of the new African management machineries to avoid unwanted exploitation by foreign entities. In essence, a new business culture needs to be created by establishing joint African multinational enterprises so that a successful transfer of financial and economic power from foreign multinationals to the indigenous private sector takes place. This was achieved in Japan, India, Korea, Taiwan and Singapore, to name just a few countries. The donor communities have, therefore, no moral right to oppose such a process in Africa.

The case for political liberalisation acquires new dimensions, as pressures mount on African governments to understand good governance as a function of the political leadership's commitment to development. This is so because the G8 governments that push for such liberalisation protect their enterprises and economies behind heavy tariff and non-tariff barriers. It is also important to stress that corporate production functions in the North influence decisions in investment and capitalisation, and that the indigenous private sector does not fully participate in such decisions. This makes it hard for industrial development to really contribute

to socio-economic equity and justice. One such measure is for the existing mineral rights and concessions to be reviewed so that indigenous enterprises are empowered to participate in the industrialisation of Africa.

Another conclusion is that economic liberalisation is really a political decision. The issue in African economic management is not whether or not corporate capitalism will stay in Africa. Rather, the issue is how to make foreign firms contribute more positively to the development processes by maximising the advantages of their presence while minimising the negative effects (allowing indigenisation investment machineries, for example). It is true that corporate capitalism has made significant contributions to the advancement of science and technology in Africa in production and distribution, pharmacology, medicines and informatics. Foreign corporations have also created employment by increasing their investments in wage-earning ventures, thereby assisting the government in the distribution of income in the country. But the issue remains that under corporate capitalism in Africa, the poor are becoming poorer.

Experience has shown that in countries endowed with oil, mineral or large forestry resources, foreign interventions have been sharp, to the extent that such countries become vestiges of neo-colonial interests. Nigeria, the DRC, Zambia, Zimbabwe, South Africa, Angola, Sierra Leone and Ghana are some of the cases in point. Mineral prospecting and extraction, which are often beyond the ability of national governments, both financially and technologically, are controlled by corporate capitalism, hence the tendency towards undermining government policy. Equally true is the fact that – in the fields of telecommunications, electronics and computer science – corporate capitalism indirectly controls the managing and governing of countries.

From Malawi's experience, there is also evidence suggesting that, due to the interrelation between corporate capitalism and technology, liberalisation in Africa will not yield fruitful benefits

for poor people, especially in rural areas. This is largely because, according to the G8 countries, the principal objective of investment in various industries is not to develop Africa, or to improve the welfare of its people. It is to maximise profits, even at the expense of social justice. Poor and voiceless Africans have always been left out of the development process. This explains why class distinctions and conflicts have persisted and intensified. Those who own the means of production do not wish to share the benefits with the general masses. Consequently, there is polarisation of income distribution mechanisms, allowing the rich to become richer while the poor become poorer. In that sense, equity and social justice cannot be attained.

The preceding analysis leads us to infer that the doctrine of good governance from the North, while relevant to political liberation and the liberalisation of corporate capitalism, fails to address the problems of the indigenous small and medium-scale private enterprises trapped in traditional social frameworks that cannot effectively contribute towards sustained growth and development. In extreme cases, these enterprises are even pushed out of business. Therefore, the failure or unwillingness of the North to abolish illicit and restrictive business practices by multinational corporations continues to frustrate governments' drive to end corrupt state machinery and bureaucracy. In turn, this inevitably robs a country's vulnerable population groups of prosperity. If changes are to take place, they must aim at reducing or eliminating the elite or surrogate economists whose mission in Africa has up until now been to preserve the status quo. How well the bilateral donors and multilateral lending institutions understand this peculiar situation will determine how effective liberalisation will be as an instrument for good governance that can lead to economic recovery, sustainable growth and poverty reduction in Africa.

We have also learned that if Africa is to move from poverty to prosperity, its development partners must agree to support 'home-grown' policy reforms that address the terrible development crisis,

seen in the widespread deprivation of the masses that are also disenfranchised economically, largely by their own multinational corporations. It is important to recognise that Africans have learned with consternation that mass poverty results from the interplay between a government's inability to implement deep-rooted measures to create new job opportunities for millions and the reluctance of the G8 countries to allow Africa to get out of poverty. This duplicity and conflict of interests is real and perpetuates the dominance of the G8 over African political, economic and social structures.

The dichotomies in policies referred to in this chapter can be seen in donors having continued to support management policies reminiscent of the old order. We are therefore led to conclude that the time has come for Africa's development partners to change their mind-set from neo-colonialism to a true global partnership that would benefit Africa as well as the G8 countries. They must recognise that, by themselves, African governments cannot effectively fight poverty, hunger, disease and malnutrition. To that end, continuing old policies, institutions and ideologies borrowed from the outside will not pull the people out of the economic crises. That being the case, development partners must accept the fact that ideologies are not effective if they fail to support Africa's sovereign leadership to develop fast enough to contribute to global prosperity. Furthermore, it must be recognised that the on-going development crises cannot be resolved using conventional economic theory and analytical tools devised by economists from other lands. Similarly, poverty in Africa will not be eradicated through a piecemeal policy approach, or by tackling the development crises in isolation. What is needed is a new global mind-set in which African sovereign states are fully recognised and respected by the global community.

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FINANCING THE AFRICAN DREAM

"In order to fully realise the African dream, there is a need for a special programme of donor assistance for Africa that will focus on increasing food production, industrial development and mineral and agro-processing. This is needed because the impact of the global financing crisis on the agro-based economies of Africa is more devastating than it is in industrialised countries. That being so, there is a case for special financial assistance to Africa to be tailored to the critical and individual needs of each country. Such a package should include supporting shortfalls arising from the low prices of commodities in the world market; special needs arising from the loss of revenue from high interest rates and fluctuations in the exchange rates of the world's major currencies; measures to alleviate the external debt crisis; ensuring food security; and, programmes for the rehabilitation and reconstruction of the African economies devastated by climate changes, such as prolonged droughts, desertification and other natural disasters like earthquakes, floods, cyclones and rising sea levels."

(Bingu Wa Mutharika)

THE RESOURCES MODULE

It is almost a truism to say that a dream without the means to realise it soon converts into 'building castles in the air'. In the previous chapter, we discussed the concept and framework for African development paradigm. Here the choice of an appropriate policy mix becomes challenging due to variations in factor endowments within the African countries. This chapter will focus on the most difficult aspect of the African dream, namely how

to finance macroeconomic growth in order to eradicate poverty. Where no growth occurs, the social security of the civil society cannot be guaranteed. It therefore becomes obvious that the way forward is for Africa to look to new opportunities in export-oriented investment aimed at penetrating the world market. A number of policy options for generating economic growth in Africa have emerged. To begin, let us stress that a country does not have to be large to take advantage of the globalisation process. Small countries, such as Korea, Singapore, Malaysia, Taiwan and Mauritius, have fared well in the global markets.

We shall start by examining some conceptual frameworks for mobilisation of development financing as a means to alleviate poverty. According to some Western writers, foreign aid is not a gratuitous donation from 'rich' to 'poor' countries; some of the resources that go into the foreign aid programmes for developing African countries are initially generated in Africa itself. They argue that each year the cost of foreign aid and investment to Africa increases, and with it the debt burden of these countries. Paradoxically, foreign aid is usually followed by regular transfers of capital and mineral resources from Africa to the industrialised countries through debt servicing to multilateral institutions, profit remittances, capital repayments and amortisation, and transfer pricing by transnational corporations. In most cases therefore, large quantities of tobacco, tea, coffee, sugar, cotton, rice, groundnuts and other agricultural raw materials are shipped to generate employment in industrialised countries while African nations continue to languish in poverty.

Experience leads us to plead the case for special financing for Africa in order to sustain growth and development. Although multilateral and bilateral aid to Africa has generally been generous, the actual amounts of such aid are relatively small compared to aid for other developing countries in South East Asia, Latin America and the Arab world. However, bilateral aid to Africa constitutes an important source of financing. Multilateral aid to Africa has increased significantly over the past twenty years and continues

to play a significant role in the overall development resources for Africa. The EU/EIB has emerged as one of the most important sources of multilateral funding, while World Bank and IMF facilities have also represented a significant source of funds. A matter of general concern however is that, since 1986, net resources outflow from developing African countries to the IMF through loan repayments have increased, thereby suggesting that aid flows are in reverse.

A major concern for Africa is that, up until now, very little of the donor funding has been allocated towards the creation of productive structures or for income generation and productivity in agriculture and industry. Due to this policy bias, Africa continues to import more than it exports. This is because considerable amounts of donor funding have been channelled mainly into social infrastructures, such as education, recreation, health and the fight against the HIV/AIDS pandemic. While these are essential, evidence from industrialised countries shows that they did not focus on building infrastructures alone, but simultaneously increased investment in the productive sectors of industry, agriculture and trade.

It is important at this stage to say that the structure and composition of development finance to Africa is largely determined by the broad relationships between donors and African leadership. This in turn affects the growth of economic aggregates, such as national incomes, domestic savings, investments, public expenditure and consumption, liquidity, external resources, imports and exports and balance of payments. Within the set of development priorities already adopted by African countries, several issues need highlighting as part of the macroeconomic policy dialogue with the international donor and financial community. Such dialogue should focus on the revitalisation of growth, which entails the adoption of broad and specific development objectives and priorities to suit each individual country.

In recent years, largely as a result of the near-collapse of many African economies, the principle of cross-sector analysis in project design has become important. The success of externally financed projects and programmes is largely determined by domestic investment policies applied to the identification and selection of projects. The linkage between individual projects and the overall economic policy of countries is becoming a critical planning tool. Monetary and fiscal policies as well as trading policies are also important elements in the management of external development finance. It is generally recognised that interest rates determine, among other things, the level and rate of investment as well as the expected yields or returns on investment. It is also true that inappropriate taxation policies may result in distortions of local prices.

The flow of development finance to Africa is closely related to the manner in which projects are designed, implemented or managed. Since 1974, many African countries have continued to be adversely affected by the deteriorating international economic and monetary environment – mounting external debt burdens, high international interest rates, volatility in the exchange rates of major world currencies, increasing protectionism, and more recently the collapse of the global financial system. These factors combine to slow down Africa's growth prospects as the ability to attract foreign direct investment dwindles.

Therefore, global financial structures need to be adjusted to respond to the new challenges for growth and economic recovery African countries now face. If Africa is allowed to collapse due to shortages in funding, the catastrophe will spill over to the rest of the world. Therefore, the World Bank's concept of ‘quick disbursing’ or ‘fast-track’ project financing that allow decisions to be made without undue delays should be selected as a viable policy option.

It needs to be stressed therefore that the identification, design and analysis of viable projects constitute an essential stage in the use of development finance. Identified projects should be designed so they generate enough revenue in foreign exchange to cover the

cost of the external funds. One way of achieving this is to carefully identify and prepare projects needed for debt servicing. Similarly, the mix of the various components necessary for implementing projects cannot be taken for granted. For instance, the equipment and spare parts needed to implement projects are not always found in time, sometimes causing considerable delays or even a complete halt to a project. At the same time, the management of externally financed development projects is deficient more often than not, either due to a lack of highly trained and experienced project managers or due to the misallocation of funds, corruption and other malpractices. In fact, an important contributory factor to Africa's debt servicing problems has been the use of external debt to finance ill-designed and ill-managed projects that do not generate income or alleviate poverty.

The private sector has not always behaved well either. Its project selection criteria have often not been properly controlled in order to yield maximum benefits in terms of employment, new technology and investment in the economy of the country where the projects are located. Such benefits could easily be achieved through the proper design of the laws and regulations governing such private-sector investment. Therefore, in order to improve the rate of investment in Africa, prudent management of external investment finance should be guaranteed while ensuring that private sector decisions do not negate or frustrate the country's overall objectives for poverty reduction.

It is essential to emphasise that the conceptual framework for any special programme to Africa must be based on the real development needs of the widest population base, especially those of people living in rural areas. Such needs were summed up by President Julius Nyerere of Tanzania, when he said:

> "Nearly all Third World countries have at one time or another declared their national objective to be the elimination of destitution, hunger, ignorance, and preventable disease in their state. We have said – almost all of us – that we want all our people to be able to live in

> dignity, with adequate food, clothing, and shelter available to them in return for their daily work. Those are very simple and basic objectives. Fulfilling them should be what we mean by development."

The essence of Nyerere's observation is this: in order for socio-economic transformation to occur in Africa, countries should receive assistance not only so they can emerge from the present crisis, but also so they can generate enough development momentum to ensure they do not slide back into worse forms of poverty. Consequently, special assistance needs will have to be envisaged on three levels: (1) emergency or short-term needs to combat famine, hunger, malnutrition and epidemics; (2) medium-term needs to rehabilitate and reconstruct agricultural and industrial productive capacities and increase food production and food security; and (3) long-term needs to transform economically and achieve sustained growth.

The scenario and modalities for the special assistance programme to Africa was by and large set by the Twentieth Ordinary Session of the Assembly of Heads of State and Government of the Organisation of African Unity (OAU), held in Addis Ababa in November 1984. Having reviewed the economic and social conditions in Africa, the session decided that urgent and drastic action was required to deal with the current crisis. The task of defining the special assistance needs of Africa has also been facilitated by the international community's focus on Africa, particularly that of the United Nations General Assembly, the World Bank, the Food and Agriculture Organisation of the United Nations (FAO), the United Nations International Children's Emergency Fund (UNICEF), the United Nations Disaster Relief Co-ordinator (UNDRO), the World Food Programme (WFP) and the United Nations High Commissioner for Refugees (UNHCR). However, a full accord is still required to put concrete measures in place that will assist African countries in emerging from the current crisis in the shortest possible time.

Similarly, since 2002, many African countries in West, East and Southern Africa have been critically affected by severe

droughts and famine, and have required emergency assistance. Some of these countries were also affected by serious floods when the rains finally came. They faced a situation of double jeopardy. The crisis was aggravated by the factors that follow.

First, many people live in drought-prone or flood affected areas and many of them have no other means of generating income or other forms of livelihood other than the land.

Second, millions of people have been forced to abandon their traditional homes in search of food in other parts of their countries or in neighbouring countries. Most of these people live in over-crowded temporary shelters while others have no place to live at all.

Third, many people, especially women, children and the elderly, are dying daily of hunger, thirst and malnutrition and others become permanently debilitated. One major matter of concern is that due to the lack of sufficient rain coupled with the problem of resettlement and rehabilitation of refugees, it is likely that this emergency situation will continue for several years to come. Therefore, any programmes for assistance should bear in mind the short, medium and long-term implications of new policies adopted.

Therefore, a new policy paradigm shift is needed for Africa to redefine the role its institutions play in financing economic growth, bearing in mind the fierce competition for resources in the global financial markets. This is not the responsibility of bilateral or multilateral donor agencies. This is Africa's duty and obligation. Therefore, in looking at Africa's immediate future, it is important to recognise that a successful macroeconomic growth policy will primarily depend on the ability to harness financial resources at the international level, taking into account the opportunities offered by the World Bank, the IMF, the European Union and other agencies as well as those emerging within the framework bilateral support. Therefore, in terms of policy direction, African

governments need to provide clear guidelines to the private sector, statutory corporations and donor communities on how Africa as a whole should attain a level of industrialisation that can sustain growth and alleviate poverty.

Similarly, guidelines are needed on which productive sectors should be prioritised and who should be responsible for generating industrial growth. Moreover, while governments are creating an enabling environment, private investors should venture into such productive sectors as agriculture and industry for both import substitution and export-oriented production and manufacturing. For this to take place, the private sector needs to co-operate fully with governments in implementing the new strategies for economic growth.

Experience shows that the redesigning of macroeconomic policy alone may not be enough to achieve spectacular results in production and employment. This must be accompanied by a host of other policy measures that include the diversification of the economy, the strengthening of democracy and the rule of law, the involvement of women at all levels of decision-making and execution, the re-introduction of national economic planning, the building of national capacity for managing and sustaining growth and development.

Based on the above analysis, the biggest problem Africa will continue to face in implementing a poverty-reduction strategy is ensuring that African financial institutions perform well and are strong enough to survive the effects of globalisation. This lies also at the heart of good governance. No one can govern well without adequate resources. The emerging macroeconomic policy for poverty alleviation requires the mobilisation of huge financial resources towards resuscitating the economies' productive sectors. Clearly, many African countries will need the support and goodwill of the donors and private sector.

Since the 1980s, Africa has been plunged into unprecedented economic and social crises, whose dimensions defy imagination and reason. Many people die each year due to hunger and famine-related causes. In addition, climate change has resulted in the loss of thousands of hectares of arable lands, forests and pastures that have been permanently destroyed or are so devastated they will become worthless without extensive programmes for reconstruction and rehabilitation, requiring huge investments in financial resources, materials and human endeavour.

Experience in development suggests that African countries will need huge financing to achieve their dream of moving from poverty to prosperity. While the industrialised nations developed by increasing domestic savings and investment essentially generated from overseas colonies and territories, African countries do not have that option. Perhaps the best way to look at the future is for Africa to look for a new way to interface with donors in developing agricultural processing to add value and create new wealth and new jobs. Such interfacing would call for specific allocations to be made in support of the fledgling democracies in the region. Indeed, one aspect of this would be to begin a new dialogue with the donors to ensure that short, medium, and long-term development strategies feature prominently in the donor programmes for strengthening democracy. To be sure, proclaiming a multi-party democracy will not, by itself, convince donors to pour in additional resources. Governments would have to put in place policies that demonstrate their full commitment and determination to uphold democracy, human rights and fundamental freedoms. From the myriad of complexities associated with multiparty democracy, it is hoped that the donor communities in Africa would support the following aspects of these policies.

First, mechanisms should be found to strengthen capacity to consolidate the foundations for a development that have been established. Donors should find ways of increasing their support to governments within that structure to ensure the full participation of the poor in national development efforts.

Second, economic, monetary and social reforms should aim at taking development to the people, especially those in rural areas, to increase the pace of economic recovery and sustained growth where poverty eradication is given high priority in the allocation of resources. This should be supported by realistic domestic and foreign investment laws and regulations as well as sustainable financial and foreign exchange systems in order to allow local and foreign investors to increase their investment portfolios in the productive sectors, while guaranteeing facilities the means to externalise earnings within established regulations or restrictions.

Third, the liberalisation of foreign trade, especially imports of manufactured goods from industrialised countries, should be gradual rather than instantaneous and should be accompanied by measures to strengthen the national production and supply structures. This would in turn reduce interest rates and the cost of borrowing, especially by local entrepreneurs.

THE DESIGN OF FOREIGN AID

Experience in financing African development leads us to realise that due to post-colonial linkages, most countries in Africa cannot develop without donor support, and the reality is that growth and development in those countries would probably grind to a halt. Therefore, some observers have noted with concern that donor statements in support of democracy have not been followed by actions. This has raised serious doubts in the minds of many Africans about whether donors and international organisations are really ready and willing to materially and financially support the political transformation necessary to strengthen power-sharing. The people of Africa hope that, in the new policy beginning, the IMF and World Bank will objectively review the impacts of policy-reform programmes in order to adequately address structural weaknesses and create a new platform that enhances power-sharing in the emerging democracies.

We also believe that such a framework is critical, because governments in the region need to respond decisively and quickly to the demands of the rapid economic and social transformation made more pronounced by the advent of democracy. On the other hand, new dialogue with the donors would help determine what consultative mechanisms might be devised so that more resources could be given to countries to implement policies and strategies that would allow them to march confidently into the future, giving hope to the millions now engulfed in abject poverty.

This leads us to reiterate here that the African civil society must be guided by a common shared vision that reflects the expectations of all peoples and tribes. In general, politicians welcome the ideas of co-existence and power-sharing through multi-party democracy; most believe that they result in better governance, and therefore sustainable development. Observers also remain concerned that governments of the North have not learnt to live with the South under one roof. Nor have they discovered the essence of the concept of 'one for all, all for one', that served as the basis for African traditional forms of democracy. It has also become clear that multi-party democracy cannot be strengthened without appropriate local institutions and people appreciating the key role these institutions play in transitioning from a one-party to a multi-party system of government. Some quarters have expressed concern that a government's role in strengthening multi-party democracy remains unclear to many Africans. General apprehension also exists that political parties have not yet learned the spirit of compromise. Government leaders tend to follow the same strategies and principles that guided their actions during the one-party repressive regimes. It is hoped that, with more experience in how democracy functions as well as more tolerance and understanding in dealing with those holding opposing views, the urge for vengeance and retribution will disappear.

We can deduce that since the path to multi-party democracy has been identified, the African people legitimately expect donors to be more forthcoming in their support of African countries' political

and economic reforms. They hope that additional resources will be made available, resources without the conditionality that strangulates the nation-states. Many Africans also hope that, on the balance, donors will show some flexibility in dealing with the particular brand of multi-party democracy in each country. To that end, deeper reforms will no doubt be needed to respond to these new challenges. The donors should find new ways of removing the traditional rigidity in their own policies to respond adequately to policies and programmes that assist African countries in breaking the vicious cycle of poverty. Indeed, donor policies and strategies in Southern Africa need to be restructured so they are more responsive to the new institutions of multi-party democracy.

Furthermore, the G8's desire to perpetuate the control over Africa needs to be seen in the context of foreign aid. Before going any further, we should identify three types of foreign aid that govern global relations. The first type is intellectual aid, which comes in the form of technical assistance from bilateral and multilateral sources, essentially aimed at building capacity in various sectors of the economy. This type of aid may also involve the posting of a surrogate economist that disseminates donor policies. The second type is development aid. This includes growth-oriented investments, but may focus on social and physical infrastructures, such as roads, hospitals, schools and the fight against the HIV/AIDS pandemic. The third type is political aid, which may be granted to a country upon fulfilling certain conditions, such as democratic reforms, observing human rights and the rule of law, holding free and fair elections or establishing certain political institutions.

The design of foreign aid has led to intense debate for many decades. In the minds of many African leaders, much doubt exists as to the real motives behind foreign aid to Africa. Some light can be shed on the subject thanks to statements coming out of the industrialised countries themselves. For example, as far back as 1961, the former President of the United States, John Fitzgerald Kennedy, made a most revealing statement when he said, ‘Foreign aid is a method by which the United States maintains a position of influence and control

around the world, and sustains a good many countries which would definitely collapse or pass into the communist bloc.' This led Teresa Hayter in *Aid as Imperialism* (1971) to say:

> "Aid can be regarded as a concession by imperialist powers to enable them to continue their exploitations of the semi-colonial countries; it is similar in its effects to reforms within capitalist countries, in the sense that the exploiting class relinquish the minimum necessary in order to retain their essential interests. The availability of 'official aid' increases the likelihood that the governments of the Third World countries will tolerate the continuation of massive outflows of private profits and interests on past debts. It may help to bolster up such governments by providing a few short-term solutions to their economic difficulties. It may also help to create and sustain, within Third World countries, a class which is dependent on the continued existence of aid and foreign investment and which therefore becomes an ally of imperialism."

The common characteristics that Teresa Hayter revealed are as follows. First, development finance is closely linked to donor control and dominance over the political, social and economic governance of African nations. In the past, this was achieved through the 'Washington Consensus', imposing structural adjustment programmes (SAPs), enhanced structural adjustment facilities (ESAFs), and other policy interventions, such as the Heavily Indebted Poor Countries (HIPC) initiative and the Millennium Challenge Account (MCA) programmes. All these basically alter the economic sense of direction of the recipient countries, while serving the basic interests of the donors concerned. While the increased resource flows, both concessional and non-concessional, are significant, the degree of success in attracting development finance is somewhat determined by the measures taken to effectively deal with private sector participation in the growth process.

Second, Africa's development resource requirements are enormous and surpass the availability of such resources. In fact, a growing gap exists in development financing. Since 1982, net resource flows to Malawi and other African countries have either

declined or stagnated. The structure of official development assistance (ODA) has also changed due to such factors as the reduction of grants and the shortening of grace and maturity periods. Net export credit finance also declined over the same period and general uncertainty has existed over commercial bank lending and the flow of direct foreign investment.

Third, within this unfavourable international financial environment, African countries face tremendous challenges in devising an appropriate policy mix to provide an enabling environment for external financial inflows and adequate incentives to investors, especially in the private sector. While African countries have adopted flexible measures to attract development finance, problems have also been encountered in strengthening policies and institutions for negotiation and bargaining in external resource mobilisation. Bearing in mind that SAPs and ESAFs have been made the pivotal issue for external financing, tremendous efforts have been made by countries to satisfy external financing conditions, usually at very high social, economic and political costs. The main issue of concern is that no significant additional financing has actually materialised to finance these structural adjustment programmes, especially from major donor countries.

It is important to underscore that the globalisation of world finance has resulted in huge flows of cross-border equity investments, and has eased access to investments for those countries that have the capacity to generate attractive projects. However, globalisation has not benefited Malawi, which faces serious problems in attracting a sufficient and steady flow of resources for development. Some countries have even been denied donor funding for economic recovery and development for one reason or another. At the same time, the flight of capital has increased, foreign direct investment flows into Africa have dwindled, external debt service obligations have mounted, and domestic resource mobilisation has grounded to a halt. These have in turn made it difficult to manage macroeconomic growth, and thus poverty alleviation in these countries.

Against the backdrop of foreign aid policies, resuming macroeconomic growth in Africa would call for governments to find ways of tapping into new global finance to support their development efforts. This can be achieved through, among other things, constructive dialogue aimed at reaching an accord whereby government, donors and the private sector agree on new modalities to create resources for economic growth in African countries. This observation is validated by the fact that, since the 1970s, the African economies have been characterised by a general slow-down in economic growth and performance. These downward trends are not short or cyclical in nature, but deeply rooted in the structures of production and distribution as well as in domestic and external financial constraints. In recognition of this, many African countries have taken bold steps to implement structural adjustment programmes and economic policy reforms to redress the situation. These have included austerity measures to deal with public expenditures, balance-of-payments problems, pricing policies and reductions in subsidies. New measures have also been taken to curtail imports because of the scarcity of foreign exchange.

Historically, external development finance has played an important role in the social and economic transformation of African countries, especially as a result of the low levels of domestic savings and investment. African governments continue to make tremendous efforts to attract short, medium and long-term development finance. In spite of this, independent analysts estimate that between 2007 and 2015 Africa will require the mobilisation of resources to the tune of over USD500 billion for its poverty-reduction programmes. Therefore, the role of regional, bilateral and multilateral development finance institutions in the mobilisation of these resources is critical, not only for economic recovery efforts, but also to ensure self-sustained economic growth and development.

The future of development finance in Africa within a macroeconomic growth perspective will therefore have to be

weighed against the backdrop of account ability by donors in terms of meeting their pledges and commitments to Africa. On the part of African governments, of relevance are past performances in terms of prudent financial management and accountability as well as genuine efforts to fight corruption. It is also important that the design and execution of projects that satisfy national development objectives and priorities be viewed in light of efforts to create wider and more attractive economic space through regional integration.

Within the context of the global village, Africans recognise that they are part of the international community, and in that sense economic performance as seen through the eyes of the donors is critical in unlocking financial resources. They also realise that governments must share power with the people, who must be given a role in the decision-making process. In that regard, the African experience with donors has been that, although they have supported programmes for and the transition to multi-party governance, they are generally perceived as partisan, given their commitment to only support selected policies. This is evident in that donors have generally shown apathy toward and have not created new ways to carry out broad-based discussions with stakeholders. One way of improving this is for donors, either individually or collectively, to set up new criteria for supporting all registered political parties that meet such criteria. So donors should not allow themselves to be pressured into siding with any particular political party. It is generally believed that donors should have broader discussion and social contacts within countries in order to strengthen institutions for multi-party democracy and power sharing.

It is equally true that for poverty-reduction strategies to work, donors must be persuaded to agree that the experiment with SAPs and ESAFs has failed to alleviate poverty or sustain growth. Therefore, a new framework is needed to remove the rigidities in the production function of other government institutions for change. These include dissolving statutory corporations, which presently constitute the biggest leakage of resource availability

for economic growth. In pursuing this priority, it is important for Africans to recognise that if the existing economic policies are not yielding the desired results, a change in direction is required. In fact, every economist would agree that developing agriculture, industry and commerce would lead to sustainable growth and development if a new policy paradigm were created that included the following.

Firstly, recognition that simply trying to achieve macroeconomic stability as an end in itself is not enough to attract foreign direct investment. In other words, macroeconomic aggregates must also be stimulated and allowed to grow rapidly within an appropriate enabling climate, ensuring that private-sector investment is safeguarded and protected. Full accountability in the use of both domestic and foreign resources must also be ensured. Secondly, it is imperative to address the fact that for the past five decades many African countries have implemented growth models that have failed to alleviate poverty. This situation largely explains why economies have found it difficult to define viable economic policies for attaining macroeconomic growth, controlling public expenditure, and tapping into foreign direct investment within the global financial system framework. Thirdly, there is need to attain a broad consensus among Africans so that they themselves take on the responsibility of conceptualising and designing the financial policy and national capacity to implement economic growth strategies suitable for national conditions. The support of the Bretton Woods Institutions and other multilateral and bilateral donors will be needed for a long time to come. However, we hold the view that African governments should not be forced to implement SAPs and other economic reforms that do not help solve the poverty crisis.

The above three elements point to one of the greatest challenges facing African policy-makers: to design an appropriate macroeconomic policy that enables financial institutions and the private sector to have confidence in African governments' abilities to ensure growth and guarantee stability in their countries. In this

regard, both Africa and development partners need to agree that a robust financial and investment sector in Africa is critical to attaining sustained growth and poverty reduction. There should also be agreement that the pursuit of macroeconomic stability is not supported by any known theory for economic growth. Therefore, African governments should aim at achieving macroeconomic growth within a stable political and economic environment.

CHOICES AND OPTIONS

The research and analysis by independent observers have painted a gloomy picture of a continent frantically trying to mobilise resources to combat poverty and underdevelopment in a hostile global environment. What is most disturbing is that the economic and social crisis did not happen overnight; it is the result of an accumulation of past ineffective development policies and strategies combined with the adverse impacts of an unfavourable international economic environment. By the same token, the widespread hunger and famine in Africa is not an historic accident, but the price Africa is paying for neglecting agricultural development, especially food and cereal production. In other words, the drought and famine situation in Africa could have been better handled and the tragedy could have had fewer adverse effects if all those in control of the economic machinery had had vision, farsightedness, dedication and commitment to economic development. Moreover, the present emergency food situation is not going to disappear overnight, and even when it is finally resolved its devastating impact on some children will continue to be felt for quite some time.

This analysis also depicts the African people full of determination and resolve to fight for a better share of the globe's wealth. That said, the pieces of a broken African economy must be picked up and glued back together again. Africa must emerge from near oblivion to take its place in the global arena.

It is comforting to know that Africa now has much greater potential for macroeconomic growth than does Asia or Latin America. This is a task for Africa's governments, the private sector and the international community. Therefore, in order to develop an effective assistance programme for Africa, a thorough analysis of all the critical elements, based on the provisions in this book, is imperative. 'Big power' politics must be tempered with recognition of the harsh realities seen against the background of unnecessary loss in thousands of human lives and in the debilitation of countless others. Future programmes of special assistance must recognise the need to consolidate issues and provide support mechanisms that will finance the various phases of development. These might include emergency, short, medium and long-term programmes. In other words, the international donor community should not be disillusioned into believing that the crisis can be resolved solely through emergency action. It should recognise that medium and long-term financing constitute an integral part of any special assistance package that needs to be sustained. This will help make sure that, when a country emerges from the present crisis, it will not slide back into a similar situation at some future date.

We have now come to a point in our analysis where we can draw specific conclusions regarding Africa's relations with the rest of world. The most important finding is that Africa is not a poor continent; with combined natural, human and financial resources, African governments can beat the odds, embark on a path toward growth and combat poverty. The drive towards sustainable growth in an economy is a sovereign choice. In other words, African nations can choose to adopt policies that will liberate economic forces towards sustained growth or they can choose policies that will trap people in abject poverty. The analysis in this treatise leads us to believe that to accept poverty in Africa as a 'way of life' is defeatism. Economic underdevelopment is not a permanent condition; it is a period in the economic history of the nations, that in itself is made and changed by people. However, it is true that Africa's situation is indeed precarious and that our economic programmes equate to an experiment

that has gone wrong. Therefore, while Africa needs help from its development partners to get its economy back on track, the decision to do so and the drive to achieve this is a sovereign choice. We are the masters of our own destiny.

So much for the philosophical aspects. But where does this lead us in terms of ensuring sustained growth? Several lessons need to be highlighted from above. In the first place, we have learned that Africa has been going through very deep and serious economic crises that require non-traditional measures to resolve. It is true that these crises are largely of Africa's own making and have resulted from policies African governments have implemented over the past three decades. The naked truth is that Africa's productive sector has lost its steam; the public sector is fraught with corruption and numerous management problems; the monetary and financial sector no longer contributes to economic growth; people's standard of living is falling rapidly, the poor becoming poorer; and, the civil society appears confused. Therefore, the way forward for African countries is to implement a new macroeconomic growth policy that will free the majority of their people from abject poverty.

In assessing the economic performance, it has been observed that compelling African governments to adopt a ‘cash budget’ regime, when countries have non-performing agricultural and industrial sectors and a low revenue base, has forced them to resort to heavy external and domestic borrowing. This, coupled with high consumption and low domestic savings, has resulted in public expenditures far outstripping revenues and income generation. Furthermore, punitive interest rates, unstable exchange rates and high inflation have driven many businesses to bankruptcy, and this in turn has narrowed the taxation base. These adverse trends do not appear to be transitory, but permanent and deep-rooted. They also cause great difficulties in managing the monetary policy and economic growth of each country.

The second observation is that, having veered off the growth path, Africa must now endeavour to resume rapid growth in order to deal with the crises facing the economy. This is notwithstanding the rigorous pursuit of SAPs, SAFs, ESAFs and other policy reforms under the MPRS and HIPC initiatives. The burning questions now are: What happens after these initiatives? Will the economy be self-sustaining?

The economic and monetary authorities in Africa must begin to think beyond these initiatives and ask themselves what the solutions are to the problems that caused nations to borrow beyond their means and why poverty appears endemic among African people. If these two questions are not addressed bravely and honestly, then these initiatives, like the structural adjustment programmes before them, will not yield the anticipated results.

The third observation is that on-going structural adjustment programmes and economic policy reforms are not yielding the expected economic growth. Since 1994, African governments have made heroic efforts to generate growth; however, the goal of alleviating poverty has proven more elusive than originally anticipated. The GDP growth rate in most countries had dropped from an annual average of 6% in the 1970s to less than 1% in 2006. One possible explanation for this is that Africa has been trying to develop the use of resources it does not possess.

Another possible explanation is that the economic management of on-going programmes has not been transferred to African hands. G8 governments and institutions still want to manage African economies in the same way as some of them did during the colonial era. As a result, some doubt exists as to whether these programmes really belong to Africans and are for their benefit. Transferring ownership is vital to the implementation of these programmes. It would lessen the fear that Africa has been forced to operate within the very rigid policy framework required by donors, one that does not allow room for any economic redesign or innovation even when such changes

would yield better results. Maybe the time has now come for the IMF and World Bank to review their frameworks for assistance to ensure joint ownership and shared responsibility in the implementation of donor-funded programmes. Something should be done to make the civil society feel engaged and involved in the implementation of such policy reforms.

THE LESSONS

This chapter has provided useful lessons in the area of development financing the African dream. One lesson is that Africa can no longer use poverty as bait for attracting development financing or investment to Africa. This is not an option, because it risks frightening away foreign investment and finance. This view is borne out by the fact that Africa continues to encounter enormous difficulties in attracting investment financing and development resources from the outside. No rational investor wants to lock up his money in a poor country, for fear he might not be able to repatriate his capital or dividends due to the shortages in foreign exchange associated with poor economies. Therefore, African countries must fully recognise that they have come to a crossroads and the time has come for them to bravely and consciously decide that the African people will no longer live in abject poverty.

What Africa now needs is to attract huge foreign investments in the manufacturing industries, mining and energy sectors, transport and infrastructure agriculture and agro-processing and in science and technology research and development. This should be envisaged within the public-private partnership initiatives. The idea of build-operate-transfer (BOT) is also attractive in cases where government cannot raise sufficient capital to develop some public utilities. Global financing must be attracted into Africa, especially in mega-investment ventures that provide huge returns for investment while creating huge employment opportunities. This would indeed be a ‘win-win’ situation.

The second lesson is that macroeconomic transformation and growth require countries to have adequate development financing to guarantee poverty reduction, human rights, basic freedoms and civil liberties. Therefore, the following rule of thumb must be observed: financial justice with equity must be an important element in all global relations. In general, people want justice and to see justice done in the world, not only in the legal sense, but also in the sense of sharing the fruits of global advancement. Hence, the African people want unequivocal assurance that the world body really understands global democracy and that Africa has a voice in that democracy.

There is a general agreement that donors should support national efforts to create an enabling environment for all people to learn how to work towards a framework for economic and social transformation. It cannot be overemphasised that democracy embodies patience, tolerance and understanding as well as acceptance that, where wrongs have been committed toward any citizen, they will be redressed. Furthermore, donor policy must be designed through dialogue, consultation and consensus with those to whom aid is directed. People want to see confidence restored in the institutions of democracy, such institutions as the justice system, the civil service, the police and the army. These must in turn have adequate financial and human resources, so they can provide the high level of professionalism expected of them. Similarly, people want to see balanced development where all regions in every country receive their fair share of development programmes, projects and investment.

The third important lesson is that financial inflows cannot be sustained in a situation where no internal security or peace exists. Indeed, no one disagrees that where there is no security, anarchy reigns, and such anarchy breeds further financial instability in sovereign nations, both rich and poor. Every citizen, diplomat, foreign or local investor, and every visitor wants full protection; therefore, governments should allocate adequate resources to ensure that their security is guaranteed. It is a matter

of concern when thieves, robbers and murderers are allowed to hold countries for ransom. People throughout Africa want to feel free to move about and invest without fear that one day they might be gunned down by terrorists because a country does not have adequate internal security. Moreover, the African people find it utterly inexcusable for some countries to secretly provide arms to individuals in Africa, including foreign elements, for the purpose of causing terror and fear among the people.

The fourth lesson is that Africa's heavy dependence on one or two commodities for the bulk of its export earnings does not provide the lasting production structures needed to end poverty. This situation is due in part to a false sense of financial security, the belief that as long as products like copper, sugar or tobacco are doing well, foreign exchange earnings will sustain growth. This is completely false. Putting Africa at further risk are policy-makers who seem oblivious to the fact that each time Africa exports a ton of iron, steel, copper, timber, tobacco leaf, raw cotton or some other unprocessed agricultural primary commodity, jobs are also being exported. Consequently, unemployment in Africa continues to rise. Changing this requires not only that an economic decision be made, but also a political one. In that regard, the following conclusions and policy options are offered.

The future of African prosperity must therefore include diversification as part of its economic governance and poverty risk management. An urgent need exists to introduce other cash crops in Africa's export structure in order to have a wider range of export products. If African nations are to survive the impacts of globalisation, they must diversify their exports base by going into value addition on a variety of agricultural raw materials. To this end, new industries must be established to take advantage of market opportunities in Europe and North America.

Based on the preceding analysis, the question is: Can Africa achieve sustainable and sufficient macroeconomic growth to reduce poverty? The answer is definitely yes. In order to lessen

the risks from globalisation and to get out of poverty, Africa must shift its policy paradigm from achieving 'macroeconomic stability' to achieving macroeconomic growth. This is an idea whose time has come. Africa's economies need to grow rapidly – by more than 6% annually – in order to effectively alleviate poverty. This idea is based on the fact that anything stable is not growing. A stable economic and political environment is also needed to support such growth.

We must also underscore that for rapid growth to take place in Africa, a re-ordering of development priorities must occur so that there is increased investment in the productive agricultural sector. New development policies and priorities should focus on achieving several objectives. First, countries need to produce enough food for all at affordable prices, keeping in mind the abject levels of poverty among their people. Poverty will be alleviated or reduced if an increasing number of people have access to food. Since most farmers producing food are generally unable to buy the relevant inputs, governments and donors should come together to agree on a limited and well-targeted agricultural subsidy scheme for small commercial and traditional farmers to encourage them to grow more food on a sustainable basis. The agricultural input subsidy programme adopted by countries such as Malawi is a step in the right direction and should be supported by donors at the national level.

In order to achieve this policy shift, a common understanding between Africa and the donor community needs to exist, that is: economic growth implies increases in macroeconomic aggregates, such as Gross Domestic Product, Gross National Incomes, agricultural and industrial outputs, domestic exports and employment. These should be encouraged to grow rapidly to place more income in the hands of ordinary people, especially those in the rural areas. In turn, higher incomes will result in more consumption of goods and services, and thus more employment. This will increase the tax base, enabling governments over time to reduce budget deficits.

Experience has also taught us that development cannot take place through statutory corporations. Rather, it is the private sector that can really make changes in investment and production structures. To that end, a financial consortium could be established made up of international financing institutions and corporate investors, such as the European Investment Bank, the International Finance Corporation, the African Development Bank, the World Bank, and other corporate financial institutions from the United States of America, Canada, Japan, South Korea, the Republic of China (Taiwan), Australia, Canada and India and some local financial institutions. The main purpose of such a consortium would be to mobilise financing for mega-investment projects in African productive sectors. This would develop Africa into a bigger and more viable market for the G8 industries.

This leads us to conclude that resuming economic growth in Africa is possible and within reach. But Africa needs to reorder the priorities and to acquire huge financial and human resources for this to occur. There is therefore a need to look for new ways to attract investments into Africa as well as from domestic resource mobilisation. To that end, an important means of financing economic growth would be to establish a new international platform that can mobilise adequate funding for a new era of growth in Africa. It is thus proposed that NEPAD should be given funding within the framework of the African Union to promote investment by Africans in other African countries. The recent G8 countries' concern about Africa's future is an encouraging new beginning. This funding should assist in marketing Africa outside the continent in order to attract foreign direct investment. There is however a need for a provision that will ensure collective ownership of the development process and that indigenous Africans will be allowed to work side-by-side with foreign direct investors in the attainment of macroeconomic growth in their countries.

We are also led to emphasise that the proposals made in this chapter simply provide realistic and achievable options as well as a fresh starting point, even with the limited resources at

Africa's disposal. African countries should look to countries such as Singapore, India, Brazil, Mexico, Malaysia, Taiwan, South Korea and Hong Kong for inspiration against the backdrop of Africa's resource base, which is much larger than that which these now industrialised countries possessed when they started the development process. As in the case of Africa, these countries were once on the periphery of global investment financial systems and depended on donor hand-outs.

We should emphasise that poverty and underdevelopment reflect a condition that can be reduced or eradicated through determination and commitment to hard work. The African nations must be unequivocally committed to implement a sound macroeconomic policy within a stable economic and political environment. There should also be national determination to ensure public accountability and transparency in the allocation and use of development financing and to eliminate corruption and misuse of public funds. Indigenous private entrepreneurs must be fully liberated and allowed to boldly explore new investment opportunities. Furthermore, the people of Africa must together see the liberation of the masses from the 'vicious circle of poverty' as the highest priority of our times. It is within Africa's power to do so. Other countries in South East Asia and Latin America have done this successfully. The people of Africa can also move from poverty to prosperity, but must make the choice to work together. Africa's destiny is in their hands.

More importantly, our observation is that the African people want to have world financial and monetary institutions that are sensitive to their needs and are willing to adapt to transformations that are capable of restoring financial stability for both developed and developing nations. They want peace and stability in their countries – the *sine qua non* for sustainable growth and development. They also expect assurances from world bodies that all citizens will have full protection from terrorism and internal conflicts.

17

AFRICA OF THE NEW BEGINNING

The journey through this book, *The African Dream*, has taken us through pre-historic Africa, the African renaissance, pan-Africanism, political liberation and globalisation. We can now draw the conclusion that it is possible for sub-Saharan African countries to develop vibrant economies that attain faster rates of sustainable growth, where new employment opportunities are created, where incomes grow faster, where abject poverty can be reduced or eliminated, and where every citizen of a nation has equal opportunities to participate in the creation of wealth and prosperity. Yes, it is possible for African countries to produce enough food to eat and to create a continent where hunger, starvation, malnutrition and other hunger-related diseases do not rule the day. It is possible for African countries to effectively and eventually eliminate HIV/AIDS, malaria, tuberculosis and other diseases. It is possible for Africa to reduce and eliminate maternal, infant, and child mortality. It is also possible for Africa to eliminate illiteracy and ignorance and to acquire new and advanced science and technology to drive the African agenda forward.

Yes, this is *The African Dream*. This is the Africa of the new beginning based on the knowledge that countries that were once classified as 'backward' some fifty years ago have emerged

from third to first world. These countries had a dream that came true. They implemented home-grown policies that have launched their economies on the path to prosperity. The analyses in this treatise indicate that the dream of a better Africa is realistic and achievable. We have also demonstrated that it is possible to end the marginalisation of the African people in all spheres of human interactions. It is equally possible to reserve the notion that dubbed Africa is the 'Dark Continent', and to demonstrate that it was the Western scholars that were 'in the dark' about Africa.

Africans are pushing their dream on the strength of empirical evidence to show that mankind has lived continuously on the African continent for more than a million years and has contributed to modern social-economic development paradigms. For these reasons, nothing exists to support the denigration of Africa as a 'Dark Continent', and although no adequate written records were kept by Africans regarding the continent's political and economic history, ample evidence suggests that going back to before 5000 BC, large African civilisations of a highly sophisticated nature existed. Their governments were democratic in nature and exhibited evolved socio-economic systems. Historians and archaeologists have unearthed comprehensive and indisputable proof that the ancient African kingdoms of Ghana, Songhai (Niger/Burkina Faso), Timbuktu (Mali), Nubia (southern Egypt/northern Sudan), Axum (Ethiopia), Democratic Republic of Congo and Munhumutapa (Zimbabwe/ Mozambique) had established cultures and orderly economic systems. For instance, the kingdom of Ghana was known for its shrewd traders with contacts in countries as far away as China. Furthermore, cave paintings all over Africa depict cultures with distinct economies, just as in modern Africa.

In a nutshell, *The African Dream* is about every country having good schools, good hospitals, good public infrastructure, good houses and good standards of living. The dream is also about good governance, participatory democracy, guaranteed human rights and the rule of law. It is a dream where every child has a

guaranteed right to a good education and does not have to learn under a tree. It is a dream in which women do not die needlessly while giving birth and infant mortality is substantially reduced or even eradicated. The dream is also about nations visibly moving from poverty to prosperity.

Africans have now ample justification for moving from 'afro-pessimism' to 'afro-optimism'. This mind-shift is based on experiences in the now high-performing economies of Asia, the Middle East and Latin America, from whom we can draw the conclusion that Africa – with its minerals, huge natural resources and agricultural raw materials – can become a new hub of global development. Emerging evidence also lends credence to the assertion that an Africa of the new beginning will provide the 'safety valve' for a boiling global monetary and financial system because it is how emerging vestige of new investment opportunities. We can also conclude that within new emerging global partnerships, Africa will develop adequate capacities and acquire investments and appropriate science and technology to generate sufficient growth that will free the masses from the bondage of poverty. It is also realistic to expect that Africa will create a new economic and social order that can improve the quality of life for the African people and the rest of humanity.

A clear lesson is that, in programming the financing the African dream, Africa should not use poverty as bait for attracting development financing or investment to Africa. This is not an option, because it risks frightening away foreign investment and finance. This view is borne out by the fact that Africa continues to encounter enormous difficulties in attracting investment financing and development resources from the outside. It must be realised that no rational investor wants to lock up his money in a poor country for fear he might not be able to repatriate his capital or dividends due to the shortages in foreign exchange associated with poor economies. Therefore, African countries must fully recognise that they have come to a crossroads and the time has come for them to bravely and consciously decide that the African

people will no longer live in abject poverty. They should all agree that enough is enough; and poverty can no longer be accepted as a permanent economic condition.

We need to underscore that the philosophy of *The African Dream* is that no one really wants to be associated with failure or poverty. Therefore, in the new order, Africa will not plead poverty as the basis for mobilising donor support or foreign direct investment, but will attain rapid macroeconomic growth through attracting foreign investment in the construction of mega-structures that will significantly transform the African economies into viable markets and will propel the entire continent on the road to prosperity. According to African economic thought, governments have recognised that Africa's combined mineral and natural resources provide the best options for resuming macroeconomic growth. What Africa needs is to generate adequate domestic and foreign financial resources and investments to transform the minerals and natural resources to create new wealth. A consensus now exists that the African path to prosperity presupposes producing enough food in each country to eliminate hunger and malnutrition and to resuscitate and revitalise agricultural, mineral and industrial processing and manufacturing in order to add significant value to African exports that will in turn generate sufficient income to alleviate poverty.

However, the critics question if this dream can be realised. The answer from Africans yearning for success is definitely: YES. *The African Dream* is realistic, pragmatic and achievable. With new political will, commitment and determination, Africa is now poised to move from poverty to prosperity. Moreover, the developing cooperating partners, especially the G8, now understand that a stronger Africa economically and financially is a better trading partner than a weaker Africa. The international community also understands that a partner who walks side-by-side with you down the road is better than a partner that you have to carry with you down the road. Therefore it is appreciated that the global community has agreed to lend a helping hand in realising this dream. However,

the responsibility to get Africa out of poverty and on the road to prosperity lies entirely in the hands of Africans.

We conclude this treatise by asserting that that *The African Dream* is not about waiting for or qualifying for or complying with the guidelines for donor funds. It is about devising home-grown policies and being at the head of the pack, on the cutting edge, and being open and determined to go further than ever imagined. This is not a small dream, and it is not apologetic. When realised, the African dream will in fact surprise even the worst sceptics.

The Africa of the new beginning has come. The Africa that is *now* unfolding is the one the world has not been able to see through the maze of habitually reported bad news of disasters, hunger and malnutrition, and armed conflicts. Yes, this is another Africa, of new hopes, new visions, new aspirations and new opportunities. This is the Africa we are all waiting to see happen. And while United States President Barack Obama inspired millions of Africans and people around the globe with his chant of hope, **'Yes We Can'**, the modern African leaders, politicians, scholars, the business community, and the youth are confidently chanting back:

'Yes, indeed, we have the Africa of the new beginning'

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